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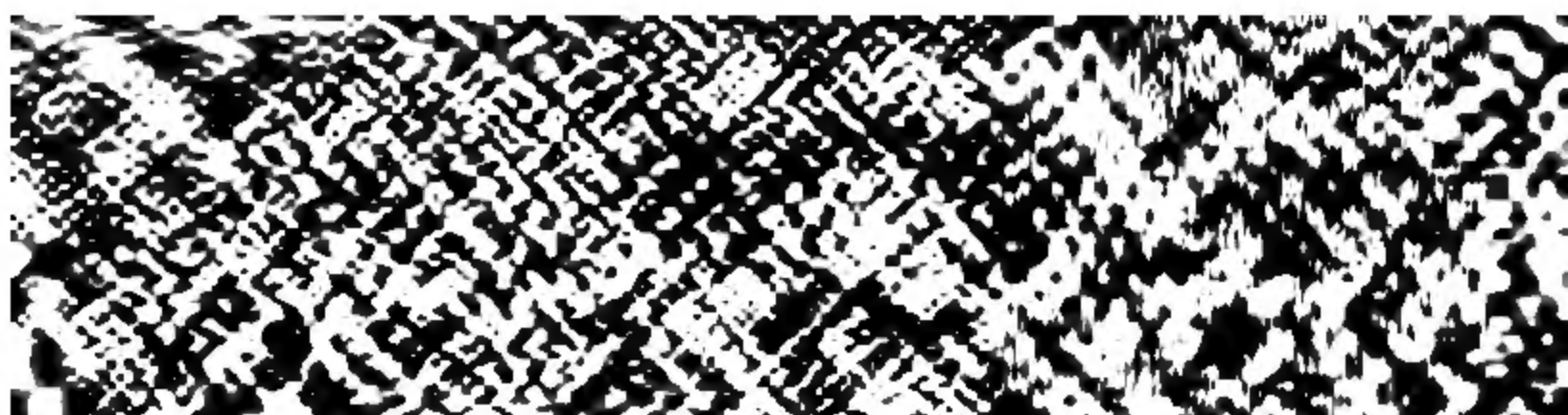
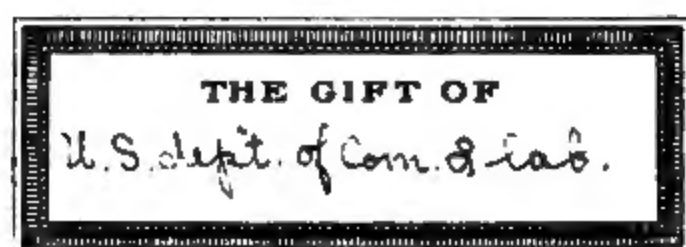
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**TWENTY-FOURTH ANNUAL REPORT**  
**OF THE**  
**COMMISSIONER OF LABOR**  
**1909**

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**WORKMEN'S INSURANCE AND COMPENSATION  
SYSTEMS IN EUROPE**

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**IN TWO VOLUMES**

**VOLUME II.—GREAT BRITAIN, ITALY, NORWAY,  
RUSSIA, SPAIN, SWEDEN**

**WASHINGTON**  
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**CHAPTER VI.**

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**WORKMEN'S INSURANCE IN GREAT BRITAIN.**

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## CHAPTER VI.

### WORKMEN'S INSURANCE IN GREAT BRITAIN.

#### INTRODUCTION.

The industrial development of the United Kingdom, embracing as it does all classes of industries from the agricultural to highly developed manufacturing and commercial undertakings, would seem to afford scope for the operation of correspondingly developed forms of insurance in every field. Except for the mandatory provisions of the compensation acts, however, such provisions as exist are entirely voluntary.

Insurance, widely extended and fairly adequate to the needs of the various classes of workmen, is provided for by various statutes, with the payment of benefits in case of death or disability caused by accidental injury or by sickness, as well as old-age pensions. These provisions are in part supervisory, as in the legalization and control of friendly societies and institutions of like nature; and in part mandatory, as in the workmen's compensation acts; while absolute provision is made for payment by the Government itself of old-age pensions within prescribed conditions. Insurance and annuities may also be procured through the agency of the State. Apart from such statutory provisions, moreover, and originating before their enactment, there are what may be classed as merely permitted organizations, which are entirely voluntary in their formation, and which come only in slight degree under the regulations prescribed by the statutes referred to.

By means of these various agencies an industrial population of between twenty and twenty-five millions is offered protection of different kinds and extent, the compensation act of 1906 applying to approximately thirteen millions of persons, while friendly societies embrace a membership of six millions and trade unions a membership of two and one-half millions. The number of persons pensionable under the old-age pension act of 1908 approximates 700,000. The opportunity offered by the Government to obtain insurances and annuities through the post-office is in no sense restricted to classes of population, but by its very nature and the limitations as to amounts, it appeals to those of moderate incomes. It is, however, of small effect, the number of policies in existence after three-quarters of a century amounting to about 3,000 deferred annuity contracts and 13,000 insurances. The number of immediate annuities is larger,



though not great, an average of 1,840 policies having been issued annually during the ten-year period 1899 to 1908. During the years 1896 to 1900, when these policies seem to have been in great favor, the average annual number issued was 2,123.

#### **ACCIDENT AND SICKNESS INSURANCE.**

The problem of meeting the need of definite relief in cases of industrial accident has occupied the attention of Parliament for a number of years, with the result that, in addition to various laws enacted to fix the liability of employers for injuries to their employees, compensation acts have been passed, the first in 1897, and the present law in 1906. Both these laws contain provisions for the substitution of other forms of relief or insurance than that set forth by the statute itself, on compliance with conditions set forth in the laws, and only in this connection that the subject of accident insurance, strictly speaking, is involved in the operation of these laws; this subject is therefore, as well as that of the so-called "schemes" for contract insurance, will receive consideration in connection therewith.

British custom and law define the boundaries of the results of sickness and accident far less distinctly than is the case in most countries in arranging for insurance of this nature. The workmen's compensation act is addressed to the mitigation of the results of "personal injury by accident" befalling workmen in their employment, but its benefits reach also to disability occasioned by certain diseases specified in the act, while the secretary of state is empowered by the law to extend its operation to other diseases, and to other injuries than those caused by accident. As regards the provisions of friendly societies and trade unions, sickness and accident are not distinguished, the insurance granted by these institutions being for the disability for labor, regardless of its cause; it is impossible, therefore, to distinguish costs, administration, etc., for the two forms of disability benefits, so that, from the statistical presentation of rates of accidents, no effort has been made to treat them separately.

#### **SUPERANNUATION.**

The subject of provision for old age is closely related to disability from other causes, the distinctive element being the advanced years. The Government by its act of 1908 grants pensions to persons of the age of 70 years and upward, whose income falls below a specified standard, and who are not debarred by prescribed tests, among which physical condition is not included. The institutions already existing, friendly societies and trade unions, while fixing an age limit for the commencement of superannuation benefits, may also include a provision that the beneficiary must be physically unable to earn more than a specified amount. The tendency of sick relief to share

superannuation benefits will appear more fully in the presentation of the subject under the various heads.

Annuities, as well as life insurance, may be procured through the post-office as the agency of the Government in this behalf, but as will appear in the section devoted to this phase of the subject, the effects of the law arranging for such form of old-age insurance are negligible in a study of industrial conditions, although the law providing therefor has been on the statute books since 1882 and in different forms since 1833.

#### AGENCIES FOR PROCURING INSURANCE.

The various instrumentalities through which the different forms of insurance enumerated above may be procured have already received incidental mention. Courts of law are of course open to suitors under the liability law, and their judges may act as arbitrators in the adjustment of claims for compensation under the compensation act.

Among voluntary organizations the friendly societies are the oldest, presenting an unbroken history of mutual assistance in all these lines of relief, taking their beginning, as seems most likely, from the mediæval guilds. These in turn may be followed back, if not through a line of actual descent, at least by a likeness of purpose and character, through the time of the foundation of the Germanic States, and even to Latin and Greek class or trade groups and societies. The legislation attendant on the development of the friendly societies and the scope and methods of their working will be taken up later. It is sufficient to say at this point that they are an expression of the spirit of self-help by reason of which the workman has attempted in different ways to spare himself the humiliation of "going on the rates" in case of disability, or of burial as a pauper in case of death. This spirit has been encouraged by the middle and upper classes by material aid and by other forms of assistance and advice, as well as by parliamentary action.

It may be noted in this connection that the action of Parliament in making provision for old-age pensions, as well as other proposals looking to relief in sickness, have been the subjects of much discussion on account of their probable influence on their recipients in the matter of self-help and reliance. The reports and memoranda of governmental committees on the subject of old-age pensions disclose the same principal legislative and economic view points as are set forth in the reports of a much earlier date on the subject of legislation in behalf of friendly societies, i. e., "promoting the happiness of individuals and at the same time diminishing the public burdens," and "encouraging the industrial population by state aid or otherwise to make provision for old age." The commission of 1907 found that a large section of the 250,000 persons

already receiving pensions and superannuation allowances in United Kingdom were in receipt of such allowances from which to which they had themselves contributed. The committee in 1896 was also impressed by the fact that "a large and constantly increasing section of the industrial population of this country already by prudence, self-reliance, and self-denial make themselves age independent and respected." It is apparent from these remarks that this double aspect of the question, the welfare of the individual and the protection of the public funds, is kept constantly in mind.

In part springing from and in part coordinate with the friendly societies are the trade unions, for many years forbidden by law, and only receiving legal recognition at the close of the quarter of the last century. Among the objects of these organizations is the provision of sick and accident benefits and of the payment of burial funds or other insurance of a larger amount. The development of these benefit and insurance features, largely entirely to the exclusion of other ideas, has given rise to organizations specifically for the purpose of relief, notably among coal miners.

Unemployment insurance has never been entered upon by the British Government, though its consideration has gone as far as the preparation of a scheme, and budget estimates by the Board of Trade in 1909-10 included the sum of £1,500,000 (\$7,299,750) for the establishment of employment offices and the financing of unemployment insurance schemes. Out-of-work benefits demand a considerable sum from the funds of trade unions annually; an act of Parliament of 1905 provided for the organization of district committees with a view to the provision of employment or assistance for unemployed workmen, but it involves no feature of insurance.

It is apparent, therefore, that there is not in Great Britain a real provision of state insurance against industrial accidents and diseases, the compensation acts simply enforcing upon the employer certain obligations in respect of these incidents of employment, leaving the payment of the sums stipulated by the law to the employer's own resources, unless he chooses to take out an insurance policy covering his liability under the law. The extent to which the different forms of protection are offered or secured appear more fully in the consideration of the various voluntary agencies through which they are provided for.

#### FORM OF PRESENTATION.

The above account may suffice to indicate briefly the scope and method of the provisions of British law and institutions in the field of workmen's insurance, and also to furnish adequate reasons for the form of presentation chosen, i. e., by considering separately the various agencies through which one or more forms of protection are

cured or granted, rather than by taking up separately the provisions that have regard to a single form of insurance. The latter method would involve repetition in some cases amounting to a practical duplication of material, while that chosen allows the whole of the activities of the various agencies to be set forth in immediate connection. Though this method will differ from that used in considering the other countries embraced in this report, such difference is occasioned by the nature of the objects and agencies of the various countries. As far as possible, however, the matter is classified and arranged so as to conform to the mode of presentation used in the other chapters of the report.

### ACCIDENT AND SICKNESS INSURANCE.

#### EMPLOYERS' LIABILITY AND WORKMEN'S COMPENSATION ACTS.

These acts, while differing in principle, are alike the products of efforts to relieve the industrial classes from the burdens of the consequences of industrial accidents put upon them by the English interpretation of the common law, and will be considered in the order named.

It has always been recognized by the common law as fundamental that a person was liable for his negligent or wrongful acts which caused injury to another, and that the same liability attached for the acts of an agent as for those of the principal. On the view, however, that so precious a thing as human life could not be rated in money, and that a personal action dies with the person, no damages were allowed for death caused by accident prior to the enactment of the so-called Lord Campbell's Act in 1846. This law gave to the surviving wife, husband, parent, or child the right to recover damages in cases where the injured person would have had that right if he had lived.

While Parliament thus in some measure alleviated the condition of the victims of accidents, the courts, beginning at about the same date, formulated what is now called the fellow-servant doctrine, by which the great body of workmen were placed on a different footing from other classes of citizens. A stranger injured by the negligence of an employee would look to the master, in accordance with the doctrine, *respondeat superior*, but under the ruling of the court in *Priestley v. Fowler* (1837), followed wherever the English common law prevails, the risk of injury at the hands of a negligent coemployee is one of the risks assumed by a servant on entering employment. Recovery could still be had where the injury resulted from the personal negligence of the employer, but in large establishments, and especially where a corporation was the employer, it was practically impossible to prove such personal negligence.

## EMPLOYERS' LIABILITY ACT OF 1880.

The general intendment of the employers' liability act of 1880 was to restore the employee, at least measurably, to the position he occupied prior to the development of the fellow-servant doctrine. This doctrine was not abrogated in its entirety, but it was so modified as to allow injured employees (or their legal personal representatives where the injury resulted in death), to recover damages in cases in which the injury was caused by reason of defects in ways, works, machinery, or plant; or of the negligence of one intrusted with the superintendence, while in the exercise of such superintendence; or the negligence of an employee to whose orders the workman was bound to conform and did conform, to his own injury; or by reason of any act or omission resulting from obedience to rules or instructions; or by reason of the negligence of an employee in charge of any signal, points, locomotive, or train on a railway.

It is apparent that these causes relate mainly to two classes of employers' duties, that of provision of safe place and appliance and that of superintendence, the exception being in the matter of railway service, where a further restriction of the doctrine of fellow-servant is regarded as justified on account of the hazardous nature of the employment.

The amount recoverable was limited so as not to exceed the equivalent of the estimated earnings for the three years preceding receipt of the injury of a person in the same grade in like employment in the district where the injured employee was at work at the time of the injury.

The passage of the act was secured largely as a result of the efforts of organizations of workmen, the first parliamentary action on the subject having been taken in 1877, when the House of Commons appointed a committee to take evidence on the subject and report thereon. It was thirteen years later that the act passed, and its existence was then limited to a term of seven years, subject to continuance. Since then it has been provided for from time to time, and the law still maintains its position as an alternative mode of redress contemporaneous with the later workman's compensation acts.

The act was strongly opposed and was denounced as being of a revolutionary tendency and likely to seriously disturb industrial conditions. Amendments to the act offered in 1886 were referred to a committee of the House of Commons with instructions that it should be made into the operation of the act. In its report the committee said: "A general concurrence of opinion was expressed as to the advantages which the workmen have derived from the existing law. The apprehensions as to its possible results in provoking lit-



and imposing heavy charges upon employers have proved groundless, while a useful stimulus has been given to the establishment of provident funds and associations, in many cases liberally supported by the employers." The committee recommended that, with certain amendments, the law be made permanent.

Of the amendments offered from time to time a prominent one has been to the effect that contracting out of the provisions of the law should be prohibited, or, if allowed, that there should be some other consideration than the mere employment or continuance in service of the employee. This proposal was designed to meet a condition that developed immediately on the coming into effect of the act, resulting from a requirement on the part of the employer that the employee sign a contract that neither the employer nor any of his servants should be liable to an injured employee or to his personal representatives for any defect, negligence, act, or omission under the act. Such contracts were upheld by the courts. In general, they were put before the employee together with an agreement on the part of the employer to contribute to a provident fund, and these funds frequently offer compensation for injuries in cases where the employer would not be liable under the act, as well as compensating for those which the act embraces. Such compensation is not, however, necessary to make the contract a valid one. No amendment prohibiting contracting out has yet succeeded in commanding sufficient support to secure its passage, largely because such a provision would interfere with the jealously guarded freedom of contract, and partly too because workmen have in considerable numbers voiced their disapproval of the proposed amendments.

The conditions of notice of injury within six weeks and of commencing the action within six months must be complied with in due form in order to recover under the act. Inasmuch, however, as the rights granted by the act are in addition to the common-law rights, and as the latter are in no way diminished by the statute, it may happen that where a right to recover under the act has been lost, action may still be brought at common law. Indeed it is sometimes the case that a common-law claim is joined with a claim under the liability act. Double recovery, however, can not be had.

The scope of the law is general as to the industries covered, though its use is comparatively slight and is diminishing, as will appear in the presentation of such statistical facts as have developed in the course of its operations. These data are given in connection with the statistics of the operations of the compensation acts, being uniformly treated in such connection in the British reports on these subjects.

## WORKMEN'S COMPENSATION ACTS OF 1897 AND 190

The employers' liability act was confessedly of the nature of a compromise, and did not meet the views of the great body of workers. Besides the amendments as to contracting out noticed, it was proposed to abolish entirely the doctrine of service; to make a more liberal provision for the damages especially in the case of injuries to young persons; to extend the scope of the law in its definition of workmen included in its provisions; to regulate the liability of subcontractors; to abolish the defense of assumed risks, etc. A large number of suits at law were evidence of the fact that settlements under contracting-out schemes fell far short of providing for all cases of accidental injury, as well as that the parties in interest were not in agreement as to their mutual rights under the law. When the government proposed a bill in 1893 containing a number of these amendments, the opposition advanced the view that "no amendment of the law relating to employers' liability will be final or satisfactory which does not provide compensation to workmen for all accidents sustained in the ordinary course of their employment, and not by their own acts or default." The standard thus set up involved a wide departure from the principles previously controlling, and which the compensation act of 1897 embodied as to certain classes of employees. This was the first enactment by the legislature of an English-speaking country of the doctrine of compensation as to that of liability.

The law was said by its sponsors to be of an experimental character and was limited in its application, only those employments were included which were considered as dangerous, i. e., work on railways, in factories, mines, and quarries, on engineering works, and on buildings more than 30 feet in height. The full cost of the compensation devolves on the employer. The amount payable to the survivors of employees accidentally killed was fixed at a sum not exceeding three years' earnings or at £150 (\$729.98) whichever is the less, though not more than £300 (\$1,459.95) should be paid in any case. If no dependents are left, the employer is to pay the reasonable expenses of medical attendance and burial, not exceeding £10 (\$48.67). Disability after the second week, either total or partial, was compensated for by a weekly payment not exceeding 50 per cent of the employee's weekly earnings for the previous twelve months or any shorter period during which he may have been in the service of the same employer; but the payment could not exceed £1 per week. After weekly payments had continued for at least 13 months, they could be, at the employer's request, commuted

liability therefor redeemed, by the payment of a lump sum to be agreed upon by the parties in interest, or determined by arbitration.

Contracting out was permitted only when a substitute provision, acceptable to the workmen and approved by the registrar of friendly societies, was shown to make a not less favorable provision for workmen and their dependents than was made by the act. No compensation was payable unless the injured employee was disabled from earning full wages at the work at which he was employed for a period of at least two weeks, nor if the injury was the result of the employee's own serious and willful misconduct. The burden of proving the claimant guilty of such misconduct is held to be on the employers, and it is said by employers to be "practically impossible, whatever a man does, to get a finding of serious and willful misconduct against him." The act left other modes of redress open to the injured employee when the injury was occasioned by the personal negligence or willful act of the employer, but did not allow recovery both under and independently of the act. Remedies can not be pursued consecutively, a defeat either at common law or under the employers' liability act closing the case, except that when an action at law fails and liability for compensation is proved, the court may award compensation on the request of the workman, the costs of defense to be deducted in the discretion of the court.

The act was opposed not only by many employers, but in a considerable measure by employees as well, who believed that the amounts required for the payments provided for by the act would be a burden on the workmen rather than on the employer; and when the mine owners asserted that the cost of coal would be increased, the secretary of one of the great miners' associations, himself a member of Parliament and fighting the proposed law, replied that this would not be the case, since the cost of compensation would come ultimately out of the wages of the working people. The supporters of the measure maintained that it only recognized the right of those engaged in the "industrial warfare of the country" to be indemnified for accidents occurring under the circumstances of a complex system of production involving the use of dangerous and rapidly moving machinery, that the cost of such indemnification should be classed as one of the incidental expenses of production, and as such would be ultimately met by the consuming public.

That the latter views met with the more general approval is indicated by the amending act of 1900, which extended to agricultural laborers the benefits of the act. The same conclusion is expressed in the report of the departmental committee of 1903 appointed to inquire into the law on workmen's compensation, which said of the original and the amended act that to the question whether

these acts had been of substantial benefit to the workmen within their provisions, "we think that the general answer decidedly in the affirmative."

The original intent of the act of 1897 was that it should provide an automatic method of compensating workmen for injuries, and proposed that lawyers should not be allowed to assist under the act. Trial by jury was ruled out and adjustment by arbitrators was provided for. It fell out in practice, however, that the majority of disputed cases were settled by the county court. Appeal was allowed to the court of appeal and ultimately to the House of Lords, and so far did the law come from being applied in its operations that one commentator declared that "each year the law depends less on the statute created by Parliament and more on the decisions of the court of appeal interpreting the act." A considerable body of cases has accumulated.

#### WORKMEN'S COMPENSATION ACT OF 1906.

As a net result of the eight years of experience under the act of 1897, a new compensation act was adopted in December (see appendix), to take effect July 1, 1907, which covers almost every kind of employment and applies to accidents on the sea as well as those occurring on the land. The number of persons included under the provisions is estimated to be 13,000,000, as against 7,500,000 covered by the acts of 1897 and 1900.

The word "workman," as used in the act, means "any person who has entered into or works under a contract of service or apprenticeship with an employer, whether by way of manual labor or otherwise," unless the remuneration exceeds £250 (\$3,125) per year (though manual laborers are included, regardless of amount of earnings) or unless the employment is casual and for purposes other than those of the employer's trade or business. Domestic workers, i. e., persons to whom articles are given out to be made up on in their own homes or other premises not under the control of the person for whom the work is done, are excluded. The law includes domestic servants, but excludes members of the employer's family dwelling in his house. Certain industrial diseases are to be compensated for as accidents, the list given in the original act having been enlarged by orders of the secretary of state for the home department, dated May 22, 1907, and December 2, 1908. (See appendix.)

Commutation of weekly payments at the employer's option is regulated by the new law by requiring the sum so paid, where the disability is permanent, to be sufficient to purchase an immediate life annuity through the Post-Office Savings Bank in amount to 75 per cent of the annual value of the weekly payments.

Agreed commutations may be made by the parties in interest at any time.

The construction put by the courts on the expressions "accident" and "arising out of and in the course of the employment" is of sufficient importance to receive some notice here. These are the same in both acts, so that decisions relating to the act of 1897 are applicable to that of 1906.

Early cases involving the meaning of the word "accident" resulted in conflicting and unsatisfactory rulings, the general attitude of the court of appeal being that the question as to whether or not any certain event was an accident was one of fact rather than of law; so that the findings of the arbitrators in the various cases were approved, without attempting to reconcile them when they differed. The question finally came before the House of Lords in the year 1903, in the case of *Fenton v. Thorley & Co.* (A. C. 443, 72 L. J. K. B. 787, 89 L. T. 314, 19 T. L. R. 684). The case was that of a man who had ruptured himself by an act of overexertion in attempting to turn the wheel of a machine. He was allowed compensation. In this case it was said the expression "accident" as used in the act is used in the popular and ordinary sense, as denoting "an unlooked for mishap or an untoward event which is not expected or designed." Another case was quoted, in which it was said: "Speaking generally, but with reference to legal liabilities, an accident means any unintended and unexpected occurrence which produces hurt or loss." It was also said that the word "accident" is not made inappropriate by the fact that the man hurt himself and that the interpretation of the act, when applied to ascertained facts, is a question of law, so that the question as to whether certain ascertained causes of injury amount to an accident is for the appellate courts to freely decide, without regard to the attitude or opinion of the arbitrators.

The event may be the natural and reasonably anticipated result of the conditions, if they had been fully known, and therefore not fortuitous, but may be none the less accidental so far as the injured person is concerned. This would cover cases of injury caused by the malicious act of another, as where a locomotive engineer was struck by a stone thrown at his engine by a malicious or mischievous person.

Infection with anthrax has been held to be caused by the "accidental alighting of a bacillus" on the person of the deceased, and so within the act of 1897; though lead poisoning, gradually contracted, and "beat hand" and "beat knee," caused by repeated jar or pressure of the affected parts, were not caused by accident within the meaning of that act. It may be noted that the above injuries are all within the provisions of the compensation act of 1906 without regard to the element of accident.

The expression, "arising out of and in the course of the employment" involves two ideas, "arising out of" conveying the idea that

the accident happened owing to some danger or risk which to or is connected with the employment and to which the workman was exposed during the employment; while "in the course of employment" means that the accident must happen during the employment during the existence of the relationship of master and servant and the workman need not be actually at work at the time. An employee on his employer's premises for a reasonable time before or after work time, or during dinner hour according to custom to be present in the course of his employment; but is not going to a different part of the plant for his own personal business. Travel on the employer's conveyance, under orders to thus place of work, is within the act, while mere permission to use as a matter of personal convenience does not give an employee during such use a right to receive compensation. Acts done in the course of one's ordinary duties may or may not be regarded as being in the course of employment, owing to the circumstances. If they can be reasonably regarded as beneficial to the employer, they may be regarded as done in the course of employment, though even the law has not always been able to save a claim.

An injury need not be absolutely and exclusively a consequence of the employment, as where a workman on a scaffold is struck by lightning. In such a case it was held that the greater exposure to danger owing to the position of the workman supported the claim that the accident arose out of his employment. So, where a workman was employed near a hatchway into which he fell while descending from an epileptic fit, it was held that his employment and not the fall was the proximate cause of the injury. Where a ticket collector jumped upon the footboard of a railway car to speak to a friend and was killed while alighting, the injury did not arise out of his employment; so of an employee cleaning a machine which it was his duty to clean, or going to a place different from that to which he was ordered. An accident caused by the wrongful act of a third person, a workman or of a stranger will not give rise to a claim unless the accident so caused can be shown to be one of the usual risks of the employment.

The amount of compensation is fixed at the same rate as under the earlier law, except that minors whose average weekly earning is less than 20s. (\$4.87) receive 100 per cent instead of 50 per cent of wages, provided that the amount payable shall not exceed \$2.43 per week. Disability to earn full wages need continue only one week to entitle a workman to compensation, instead of two as formerly. Under the first act, no compensation was paid for the first two weeks' disability, no matter how long the workman was off. Under the present act, compensation dates from the day of the accident unless the disability continues less than two weeks, in which case he is compensated only for the fraction of the



succeeding the first. Such at least is the apparent provision of the law, though a construction that is favored by a leading authority on the subject (<sup>a</sup>) is to the effect that a resultant disability, whether developing immediately, or only after some days, and whether for a single continuous period, or for an aggregate of several shorter intervals, if actually amounting to disability for one week, should entitle to compensation.

An abuse that grew up under the old law in connection with the settlement of claims for death is provided against in the new law by making it the rule that such sums should be paid into the county court to be invested or expended for the benefit of the persons entitled thereto. This prevents the squandering or other improvident use of the money, which was found to be a matter of serious moment when the payment was made in a lump sum to persons who were often incompetent or otherwise unfit to be intrusted with such sums. So also weekly payments or lump sums in commutation thereof may be ordered to be paid into the court to be by it administered for the benefit of the persons entitled thereto, and the original apportionment of amounts payable to each of several dependents may be revised or varied with varying circumstances.

Contracting out under approved schemes is permitted as under the former law, but the scheme must contain provisions enabling a workman to withdraw. An employer may be proceeded against independently of the act only in case the injury is caused by the personal negligence or willful act of the employer or his personal representative; no double recovery can be had. The serious and willful misconduct of the employee bars recovery, unless the injury results in death or in serious and permanent disablement.

The employer is the person primarily charged with the payment of compensation, even though the workman is under a contractor. Provision is made for cases of bankruptcy of the employer by securing to the workman any insurance the former may have been carrying, as well as by making compensation in an amount not exceeding £100 (\$486.65) in any individual case a preferred claim against the bankrupt's estate. Where the injury is caused by the negligence of a stranger, an action may be brought against him for damages, as well as making a claim for compensation against the employer; but both damages and compensation can not be recovered. An employer paying compensation under such circumstances is entitled to reimbursement from the negligent third party. No action at law can be brought by an injured person to recover the compensation provided for by the act. In order to recover under the act, notice of an accident must be given as soon as practicable after its occurrence and before the employee has voluntarily left his employment. Claims must

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<sup>a</sup> Ruegg's *Employers' Liability and Workmen's Compensation*, 7th Ed., p. 337.

be submitted within six months after the happening of the giving rise thereto, or within six months after the death caused accident.

Claims not settled by agreement may be settled by arbitrat committee representing the employer and his workmen, if such committee and the parties agree to go before it; or by trator agreed on by the parties; or by the judge of the count in default of agreement. In deciding questions as to the lia the employer to pay compensation, including the questio whether the claimant is within the classes covered by the law to the amount or duration of the compensation, the count judge is acting as an arbitrator and not as a judge. App allowed on questions of law from a committee or arbitrato county court judge and from the latter to the court of apj ultimately to the House of Lords. No appeal is allowed f decision of a question of fact. In the practical working out o of 1897 the great bulk of arbitrations came before the coun judges as arbitrators, and as the present law is not consider ferent in respect of these provisions, there is little room to do procedure under it will be the same as under the earlier act.

#### STATISTICS OF OPERATIONS.

A summary of accidents causing incapacity to employees under certified schemes of compensation was furnished the mental committee of 1903 by the registrar of friendly societie ing the first five years of the operation of the compensation a which it appears that, in the establishments covered by these the total number of cases of incapacity for the period was 9 which 48,432, or 51.53 per cent, were cases in which the in continued for not more than two weeks. The total duration pacity was 369,985 weeks, of which 66,863 weeks were for pers were incapacitated for two weeks or less, being 18.07 per cer whole time. The total benefits paid for incapacity during th were £235,338 (\$1,145,272), the amount paid for incapacity two weeks or less being £40,354 (\$196,383), or 17.15 per cer whole amount. These data are only suggestive, however, s provisions of the schemes whose workings they represent identical with the provisions of the compensation act of 1 report was submitted to this committee, showing the experie large firm of shipbuilders, first, for a term of five years under visions of an establishment fund, to which the men contrib which they were permitted to draw upon for minor alleged ties; and, second, for a period of five years under the compens of 1897, under which no compensation was available for the weeks of any injury. The standard for reporting accidents same for both periods, the difference in the number of a



reported being attributed to the attitude of the men themselves, who would stay away for slight injuries when compensation was immediately available, but who preferred not to report such injuries when the loss of wages was involved.

The table shows the average number of employees for each year, the number of accidents reported and the percentage such number is of the average number of employees, and the number of accidents compensated for during each year of the two periods compared with the average number of employees.

NUMBER OF ACCIDENTS REPORTED AND ACCIDENTS COMPENSATED COMPARED WITH AVERAGE NUMBER OF EMPLOYEES, UNDER LOCAL COMPENSATION FUND, 1893 TO 1897, AND UNDER WORKMEN'S COMPENSATION ACT, 1899 TO 1903, AT WORKS OF ARMSTRONG, WHITWORTH & CO., SHIPBUILDERS.

[Source: Report of Departmental Committee Appointed to Inquire into the Law Relating to Compensation for Injuries to Workmen, 1904.]

Local compensation fund.						Workmen's compensation act.					
Year.	Average number of employees.	Accidents—				Year.	Average number of employees.	Accidents—			
		Reported.		Compensated.				Reported.		Compensated.	
		Number.	Per cent of total employees.	Number.	Per cent of total employees.			Number.	Per cent of total employees.	Number.	Per cent of total employees.
1893.....	6,980	757	10.87	679	9.73	1899.....	12,890	436	3.38	273	2.12
1894.....	6,125	704	11.49	637	10.40	1900.....	13,374	405	3.03	254	1.89
1895.....	9,020	1,128	12.51	1,015	11.25	1901.....	15,980	423	2.64	263	1.65
1896.....	10,520	1,397	13.28	1,343	12.77	1902.....	13,364	370	2.77	200	1.49
1897.....	10,937	1,606	14.68	1,512	13.82	1903.....	11,866	333	2.81	200	1.69

The showing for the first period is indicative of an increasing disposition on the part of the workmen to avail themselves of the liberal provisions of the local fund not only in the matter of declaring accidents, but also in that of securing compensation. No report is given for the year 1898, during which both methods of compensation were used; but the change from a report of 14.68 per cent of accidents in 1897 to one of but 3.38 per cent in 1899 is striking. It is not possible, of course, from the data given, to determine what part of the accidents not compensated for under the act caused disability for more than one week and not more than two, but it is clear that the percentage of accidents compensated for during the second period, even with the great falling off in the number reported, is much smaller in proportion to the number reported than during the first period.

Since the new law came into operation only on July 1, 1907, accounts of but a single year's operations are available to indicate the effect of the inclusion of the large additional number of employees embraced by it, and these data must be taken subject to the qualifi-

cations necessarily involved in the inauguration of a new law involving large numbers of unlisted employers, who are, further, unfamiliar with their duties under the act. Statistics for the years 1899 to 1908 of proceedings under the compensation acts of 1897 and 1900 and of 1906, show the number of cases coming into arbitration before the county courts, and the number of cases in which memoranda recording agreements or awards by committees of private arbitrators were registered in the county courts. In regard to the latter point it may be said that the data for the two acts are fairly comparable, as the new law contains more effective provisions for securing registration than the old. It should be borne in mind that of the cases settled under the old act in 1907 some were accidents occurring in 1906, while of the accidents occurring in 1907 the coming into operation of the new law a number would go to claims whose adjustment would be made during the first year of the following year, so that the figures cover rather more than a year's operation of the old law and somewhat less than a year's for the new. Data for the different acts are presented separately for 1907 and 1908.

The following table shows the number of cases dealt with in England and Wales by county court judges and county court arbitrators, the number settled by the acceptance of money paid into court, the number withdrawn or otherwise disposed of after having been presented in the courts. It also shows the number of memoranda of agreements and informal arbitrations registered and the number of actions brought under the employers' liability law.

NUMBER OF CASES UNDER COMPENSATION ACTS AND EMPLOYERS' LIABILITY ACT IN ENGLAND AND WALES, 1899 TO 1908.

[Source: Statistics of Proceedings under the Workmen's Compensation Acts and the Employers' Liability Act, 1899 to 1908.]

Year.	Cases under compensation acts.					
	Number taken into court and disposed of by—				Total taken into court.	Memoranda of agreements and informal arbitrations.
	County judge as arbitrator.	Special arbitrator.	Acceptance of money paid into court.	Other methods.		
1899.....	828	98	73	348	1,347	651
1900.....	1,046	29	70	407	1,552	1,188
1901.....	1,289	9	72	548	1,918	1,623
1902.....	1,200	9	60	538	1,807	2,161
1903.....	1,295	50	92	596	2,033	2,985
1904.....	1,466	81	183	705	2,435	3,625
1905.....	1,482	27	245	715	2,469	4,317
1906.....	1,404	74	240	814	2,532	5,241
1907 (a).....	1,503	36	133	823	2,495	4,975
1907 (b).....	494	8	83	250	835	4,374
1908 (c).....	3,602	47	146	1,563	5,358	20,580
1908 (d).....	561	6	4	195	766	1,545

<sup>a</sup> Compensation data are for the acts of 1897 and 1900.

<sup>b</sup> Compensation data are for the act of 1906, in effect last six months of the year.

<sup>c</sup> Compensation data are for the act of 1906.

<sup>d</sup> Compensation data are for cases holding over under acts of 1897 and 1900.

The data given above can not be summarized as a showing of the number of claims adjusted in England and Wales under the compensation acts, inasmuch as the provisions of the older laws with regard to the reporting or registration of memoranda of settlements made outside of courts were hardly more than permissive, and the statement is repeatedly made in the reports on the operation of these laws that the number of memoranda registered is only a small proportion of the agreements under the acts. The act of 1906 includes much stronger provisions on the subject of registration, and it is due in part to this fact, no doubt, that the greatly increased number of registrations in 1908 must be attributed. It is impossible to distinguish between this as a cause, however, and the effect of the much wider scope of the new law. The large increase in the number of cases taken into court may be charged practically entirely to the latter cause.

Of the 835 claims reported in 1907 as taken into court under the act of 1906 but 3 were based on incapacity due to industrial disease, the remainder being cases of accident in the ordinary sense of that term. In 1908 the number of cases brought into court chargeable to industrial disease under this act was 96, and of those settled out of court, memoranda of which were registered in court, 108.

The departmental committee of 1903, appointed to inquire into the working of the compensation acts, reports evidence of secretaries, etc., of trade unions, from which it appears that in the organized trades the matter of adjusting claims under the acts is practically attended to by union officials, few cases going into court. Statements were made as to the per cent of cases settled outside of court, these ranging from 70 to 95, and even to 98.5 per cent. Others show more exactly for specific periods, as 17 cases taken into court out of a total of 1,605; 1 arbitration out of 252 claims; 2 claims taken into court out of 300 claims. Where there is no organization, the claim is more likely to fall into the hands of a solicitor, by whom the case may be taken into court under the liability law with the workings of which he is more familiar, with a result that is quite generally less favorable to the injured party than proceedings under the compensation act would have secured.

While some of these data are of the nature of estimates, they demonstrate the fact that the law is generally accepted by both parties as affording a fairly explicit and satisfactory means of adjusting the matter of compensation for injuries without resort to court proceedings of any sort; and, taken in connection with the number reported as having been brought to the attention of the courts, they give some indication as to the wide and frequent application of the law to cases of industrial accident. As to the matter of registering

awards made outside of courts, it may be added that it is as being a condition precedent to the enforcement of the legal process, and it is observable that there is a steady increase in the number of registrations from year to year. 9,349 cases reported as settled outside of court in 1907, 9, settled by agreement, 273 by committee, and 2 by an arbitrator. In 1908 the number settled otherwise than by a was negligible, being but 164 by committee and 2 by arbitration. 20,414 of the 20,580 cases being settled by the parties themselves.

The data as to court proceedings are presented as covering respective fields, and the prominent feature with reference under the compensation acts is the fact that the great majority of arbitrations is effected by the county judges, while as to cases under the employers' liability act of 1880 a perceptible fall is to be noted, which becomes all the more marked if a comparison be made between the number of cases for 1897 and 1898, before the compensation act came into operation (688 and 681, respectively) with the number of cases in 1907, during six months of which the more inclusive compensation act was in effect, and in 1908, during the whole of which this act controlled.

The fact that there is a liberty of choice given in the remedies opens up opportunities for taking advantage of the provisions of the employers' liability law to harass employers with the threat of action involving the expenses of defense, as is shown in the report of the departmental committee of 1903. According to the report, the provision that allows defeated suitors under the liability law to ask for an award under the compensation act is frequently abused, and the costs are rarely charged against such award, though the law places it in the hands of the court to make such a charge where the employer is entirely successful in resisting the action. The claim as well, costs are never recovered. The evidence submitted to this commission was also to the effect that the natural burden of such a situation is increased by the activity of a class of attorneys who make it their business to instigate suits of this sort on a speculative basis, and that, instead of seeking adjudication in the less expensive courts, the suit is carried (particularly in Scotland, where the law easily permits the practice) into those where the expense is great, with the result that employers frequently yield to exorbitant demands rather than face the high costs to which they would be put, whether they won or lost. The actual number of cases in which action is brought under the liability law is, however, very small as compared with the number of cases arising under the compensation law.

The committee above named recommended a change in the law of 1897 by granting employers a right to secure a stay of proceedings either begun or threatened under the liability act, in cases where

was shown that the workman had an adequate remedy under the compensation act; they also recommended a repeal of the provision that allows the alternative award after failure of suit. These suggestions did not meet with parliamentary favor, however, and the law stands as before, though other provisions of the law may be found effective in relieving the situation in this regard. The situation will doubtless be more fully disclosed in subsequent reports of the home office, since the new law provides for fuller returns than did the old.

The table below shows the average weekly payments awarded by the courts and by informal agreements and arbitrations in cases of incapacity caused by injury. Where the awards were by the courts, it is possible to distinguish between total and partial capacity. The amounts granted in case of death are also given for the two forms of award, as well as the amounts recovered under the employers' liability law.

**AVERAGE WEEKLY PAYMENTS TO EMPLOYEES INCAPACITATED FOR LABOR AND AVERAGE AMOUNT OF COMPENSATION OR RECOVERY BY DEPENDENTS, 1899 TO 1908.**

[Source: Statistics of Proceedings under the Workmen's Compensation Acts and the Employers' Liability Act during the year 1907. Same for 1908.]

Year.	Average weekly payments for incapacity under compensation acts awarded in—			Average amount of death claims—		
	Cases taken into court.		Cases settled by agreement or by informal arbitration.	Awarded under compensation acts in—		Recovered in actions under employers' liability law.
	Partial incapacity.	Total incapacity.		Cases taken into court.	Cases settled by agreement or by informal arbitration.	
1899.....	\$2.23	\$2.66	\$2.94	842	845	\$550
1900.....	2.62	2.80	3.35	795	836	773
1901.....	2.35	2.88	3.26	917	814	437
1902.....	2.41	2.96	3.20	818	767	562
1903.....	2.58	2.94	3.16	881	756	1,198
1904.....	2.60	2.86	3.14	864	737	576
1905.....	2.58	2.88	3.16	928	798	665
1906.....	2.39	2.80	3.24	928	815	938
1907 (a).....	2.29	2.90	3.22	879	701	792
1907 (b).....	2.35	2.98	3.08	849	843	
1908 (c).....	2.51	3.10	3.22	808	822	

a Compensation data are for the acts of 1897 and 1900.

b Compensation data are for the act of 1906, in effect last six months of the year.

c Compensation data are for the act of 1906.

This table shows awards of weekly payments made by agreement (the other forms of settlement outside of court being so little used as to be negligible here) to be uniformly larger than where the award was made under the auspices of the courts. The reverse is true when the amounts awarded for death claims are considered, awards by court arbitration being almost uniformly larger than those secured by agreement, while the amounts recovered at law under the employers'

liability act are generally smaller than those secured under compensation act.

A showing by industries for the years 1907 and 1908 gives the number of cases of incapacity for which memoranda were registered under the adjustment of claims for compensation by agreements and awards and small arbitrations. Average lump-sum payments, where lump sums were commuted to that form, and the amount of weekly compensation agreed upon in other cases are shown separately, as follows: Number of cases under the acts of 1897 and 1900 and the act

NUMBER OF CASES OF INCAPACITY AND AVERAGE AMOUNT OF COMPENSATION UNDER THE ACTS OF 1897 AND 1900 AND UNDER THE ACT OF 1906, IN ENGLAND AND WALES, 1907 AND 1908, BY INDUSTRIES.

[Sources: Statistics of Proceedings under the Workmen's Compensation Acts and the Employers' Liability Act during the year 1907. Same for 1908.]

ACTS OF 1897 AND 1900.

Industry.	1907.				1908.		
	Lump sums.		Weekly payments.		Lump sums.		W
	Cases.	Average amt.	Cases.	Average amt.	Cases.	Average amt.	Cases.
Agriculture.....	110	\$149	22	\$2. 31	(a)	(a)	(a)
Building.....	89	281	99	3. 69	(a)	(a)	(a)
Engineering work.....	44	193	39	3. 35	(a)	(a)	(a)
Factories.....	767	210	856	3. 18	(a)	(a)	(a)
Mines.....	284	410	567	3. 37	(a)	(a)	(a)
Quarries.....	31	205	43	2. 72	(a)	(a)	(a)
Railways.....	130	123	255	3. 04	(a)	(a)	(a)
Total.....	1,455	240	1,881	3. 22	632	\$458	21

ACT OF 1906.

Professional employments.....	10	\$48	.....	.....	72	\$100	.....
Commercial occupations.....	6	37	.....	.....	43	88	.....
Shop assistants (commercial).....	42	21	5	\$2. 56	265	77	58
Domestic servants.....	113	32	11	2. 60	780	64	100
Seamen.....	19	118	76	3. 89	205	128	150
Fishermen.....	1	102	3	3. 08	46	131	20
Agriculture.....	115	40	13	2. 13	838	68	100
Building.....	203	44	48	3. 55	979	105	346
Factories and workshops.....	750	42	280	3. 35	4,079	94	2,036
Docks, wharves, and quays.....	236	28	35	3. 65	850	62	241
Mines.....	36	126	1,065	2. 94	392	166	1,908
Quarries.....	49	44	24	3. 00	145	137	72
Construction work (other than building).....	63	79	7	3. 55	236	133	95
Railways.....	124	13	215	3. 08	319	137	613
Inland transportation by road.....	147	35	16	2. 92	812	71	177
Inland transportation by water.....	4	29	.....	.....	34	114	6
Miscellaneous.....	12	33	6	2. 82	106	88	20
Total.....	1,930	41	1,804	3. 08	10,201	92	5,964

a Not reported.

It must be borne in mind that the payment of lump sums as a commutation of weekly payments is a method of settlement that is available by agreement at any time; and after six months' payments have been made, by arbitration, on the demand of the employee.



All cases in the above tables, however, are those of voluntary agreement. It is on the ground that only the less serious cases arising under the act of 1906 would be commuted during the first six months of its operation—i. e., during the latter half of 1907, that the wide difference between the lump sums paid under that act and under the earlier acts during the same year can be explained. Inasmuch, too, as the act of 1897 related to the more hazardous employments only, it is reasonable to anticipate a somewhat lower average commutation rate for the act of 1906. The lump-sum payments in 1908, under the act of 1906, show an increase over those under the same act in 1907 to more than double the average amount for the earlier year, but can not at all be assumed to have yet reached an approximate constant. This conclusion is strongly supported by the large amount of the lump-sum payments in 1908 under the old acts, such sums being settlements for cases carried over from a period antedating July 1, 1907. (<sup>a</sup>)

The total number of court arbitrations awarding death benefits in the nine years covered by the act of 1897 was 3,432, while the number of recoveries of damages for death under the liability law was 79. The average amount of solicitors' costs in the first class of cases was £11 8s. 1d. (\$55.50), and in the latter class, £26 15s. 7d. (\$130.32).

Of the claims for compensation under the act of 1906 finally settled in 1908 within the cognizance of the courts, the decision in 2,050 cases was in favor of the applicant and in 453 it was in favor of the respondent, the percentages being 82 and 18, respectively. The percentage of successful applications under the earlier laws was 84 in 1907, 83 in 1906, 82 in 1905 and in 1904, 84 in 1903, 83 in 1902, 86 in 1901, 81 in 1900, and 75 in 1899, the first year of the operation of the law.

Reference has been made to the fact that appeals are allowed on questions of law from the findings of arbitrators. The number of appeals in 1907 was 70, or a little more than 2 per cent of the cases that came before the county courts. Of these 37 were made by workmen, 15 of which were successful, and 33 by employers, of which 11 succeeded. In 1908, 112 appeals were taken, or a little less than 2 per cent of the total number of cases that came before the county courts. Of these appeals 47 were by workmen, 11 being successful, while 65 were by employers, 28 being successful; 20 appeals were abandoned, withdrawn, or settled out of court before hearing. Twenty-three of the total number of the appeals were taken under the act of 1897. Appeals in previous years numbered 57 in 1906, 97 in 1905, 34 in 1904, 38 in 1903, 59 in 1902, and 61 in 1901. These were appeals to the court of appeal. There were 3 appeals to the

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<sup>a</sup> The statistics of operations for 1909, available since this matter was in type, show the lump-sum awards for that year under the act of 1906 to have been on an average \$136.40, while the average amount of weekly payments was \$3.26.

House of Lords in 1907 and the same number in 1908; the were workmen in all cases in the earlier year and in one case in 1908. None was successful. The number in previous years has varied from 1 to 5, the total number for the time from 1901 to 1908 inclusive, being 18.

Of the 112 cases coming to judgment in county courts under the employers' liability act in 1908, 67, or 60 per cent, were in favor of the plaintiff, and 45, or 40 per cent, for the defendant. The percentage was successful in 63 per cent of the cases decided in 1907, 58 per cent in 1906, 63 per cent in 1905, 65 per cent in 1904, 57 per cent in 1903, 57 per cent in 1902, and 61 per cent in 1901. Only 4 cases were transferred from the county court to the high court during the eight years covered by the above numbers. Of the 3,599 actions brought in county courts under the liability law from 1901 to 1907, but 1,483 came to judgment there, 4 were appealed, and 2,112, or 58.7 per cent, are reported as "otherwise disposed of," i. e., withdrawn, settled out of court, or otherwise. In 27 of the cases in which proceedings were originally brought under the employers' liability act, the question of compensation was finally determined under the workmen's compensation acts in proof of that provision of section 1 (4), which allows a plaintiff, who fails under the liability act, but who proves his right to an award under the compensation acts, to ask for such award when the liability law is dismissed. Forty-one such awards were made in 1908, 37 in 1905, 37 in 1904, 35 in 1903, 27 in 1902, and 34 in 1901. Thus, thus no aspect of the question where, when the working of the two laws is brought into contrast, there is not evidence of the superseding of the liability by the compensation law.

As already noted, the great majority of claims are customarily settled by agreement, only a small percentage being made the subject of formal arbitration. This is true not only of the general class of claims, but the tendency is strongly shown in cases wherein the accident causes death and in which large sums, likely to occasion delay, are consequently at stake.

The table following shows the number of deaths by accident in England and Wales in 1907, and the number of claims or actions brought before the county courts, for railways, factories, mine and quarries.



NUMBER OF DEATHS BY ACCIDENT ON RAILWAYS AND IN FACTORIES, MINES, AND QUARRIES IN ENGLAND AND WALES, AND NUMBER OF CASES COMING BEFORE THE COUNTY COURTS UNDER THE WORKMEN'S COMPENSATION AND THE EMPLOYERS' LIABILITY LAWS. 1907.

[Source: Statistics of Proceedings under the Workmen's Compensation Acts and the Employers' Liability Act during the year 1907.]

Industry.	Number of deaths.	Number of cases brought before the county courts under—		
		Compensation act.	Liability act.	Both acts.
Railways.....	419	113	1	114
Factories.....	855	297	7	304
Mines.....	1,077	360	1	361
Quarries.....	79	30	.....	30
Total.....	2,430	800	9	809

From this table it appears that only 33 per cent of all cases involving death claims came in any way before the courts, and of these a number were finally settled out of court, while another group was before the court only on the question as to the apportionment of an agreed-to compensation among dependents. Recourse to the courts in this regard seems to be increasing, however, since the percentage of cases referred to the courts was 29 in 1906, 27 in 1905, 25 in 1904, 22 in 1903, 18 in 1902 and in 1901, 14 in 1900, and 15 in 1899.

In the administration of the compensation acts occasion necessarily arises for a determination of the question of the ability to resume work by an injured employee who is receiving weekly payments. Provision is made for such examinations as may be required by the employer, as well as for the preliminary one by a medical practitioner, selected by either the employer or the employee. In case of a failure of the parties to agree as to the report of such examiner, an appeal may be taken to a medical referee appointed by the secretary of state, the applicants being required to pay a prescribed fee, not to exceed £1 (\$4.87). No record is available of the number of such references, but it is said to be small. Arbitrators and committees may also refer questions to such referees on their own motion and at public expense. Other duties of such referees are to give a certificate, upon reference by the registrar of a county court, as to the permanent nature of the incapacity of a workman who desires to receive his compensation abroad, and to sit with a judge as assessor when summoned by him so to act. Without the certificate of a referee, weekly payments cease on the departure of the recipient from the limits of the United Kingdom.

Apart from the proceedings as to weekly payments noted above any such payment may be reviewed at the request of either party, such proceeding being in the nature of a new agreement or arbitration, and as the result thereof the payment may be ended, diminished,

or increased within the maximum fixed by the act. injured during minority, whose compensation is reviewed twelve months after the accident, may have their payment to an amount not exceeding 50 per cent of their probable at the date of the review if they had not been injured, but it may not exceed £1 (\$4.87 per week).

The compensation act of 1906 provides for reports as to the number of injuries and the amount of compensation paid on account of the same in such industries as the secretary of state may by order designate. The order may also direct reports as to such particulars connected with the operation of the act as the secretary may approve. It is therefore possible to present more fully than in the earlier acts the workings of the act of 1906 in the industries designated by the secretary, seven in number, in a series of tables which show the amount and duration of payments of compensation in the designated industries. The first of these tables shows the number of employees employed in the industries covered, the number of accidents fatal and nonfatal, and the number of cases of industrial disease both fatal and nonfatal, with the amount paid in each industry for the different classes of claims:

NUMBER OF EMPLOYEES AND NUMBER AND COST OF CASES OF ACCIDENTS AND INDUSTRIAL DISEASE IN CERTAIN INDUSTRIES IN THE UNITED KINGDOM IN WHICH COMPENSATION WAS PAID UNDER THE WORKMEN'S COMPENSATION ACT OF 1906, IN THE YEAR 1908.

[Source: Statistics of Compensation and of Proceedings under the Workmen's Compensation and the Employers' Liability Act, 1880, during the year 1908.]

Industry.	Number of employees.	Accidents.						
		Fatal.				Nonfatal.		
		Number.		Cost.		Number.		Total cost.
		Total.	Per 1,000 employees.	Total.	Per case.	Total.	Per 1,000 employees.	
Shipping, steam.....	215,027	309	1.44	\$256,664	\$831	5,407	25.15	\$232,410
Shipping, sailing vessels...	19,974	62	3.10	41,813	674	470	23.53	18,200
Total shipping.....	235,001	371	1.58	298,477	805	5,877	25.01	250,610
Factories:								
Cotton.....	549,666	30	.05	20,693	690	7,933	14.43	178,860
Wool, worsted, and shoddy.....	320,656	23	.07	9,212	401	1,977	6.17	48,210
Other textiles.....	283,169	11	.04	5,139	467	1,881	6.64	42,090
Wood.....	228,875	37	.16	24,366	659	5,286	23.10	158,840
Metals (extraction, etc.).....	431,447	164	.38	115,185	702	24,504	56.79	539,560
Engine and ship building.....	251,403	144	.57	104,815	728	18,551	73.79	624,590
Other metal work.....	966,899	146	.15	100,921	691	32,443	33.55	649,615
Paper and printing....	342,813	23	.07	13,689	595	3,303	9.63	80,370
China and earthen ware	53,874	16	.30	11,855	741	1,085	20.14	24,571
Miscellaneous.....	2,069,186	357	.17	229,232	642	39,394	19.04	866,617
Total factories.....	5,497,988	951	.17	635,107	668	136,357	24.80	3,213,355

CHAPTER VI.—WORKMEN’S INSURANCE IN GREAT BRITAIN. 1519

NUMBER OF EMPLOYEES AND NUMBER AND COST OF CASES OF ACCIDENT AND INDUSTRIAL DISEASE IN CERTAIN INDUSTRIES IN THE UNITED KINGDOM FOR WHICH COMPENSATION WAS PAID UNDER THE WORKMEN’S COMPENSATION ACT OF 1906, IN THE YEAR 1908—Concluded.

Industry.	Number of em- ployees.	Accidents.							
		Fatal.				Nonfatal.			
		Number.		Cost.		Number.		Cost.	
		Total.	Per 1,000 em- ployees.	Total	Per case.	Total.	Per 1,000 em- ploy- ees.	Total.	Per case.
Docks.....	67,929	156	2.30	\$103,433	\$663	10,591	155.91	\$317,393	\$29.97
Mines.....	1,047,862	1,301	1.24	1,100,929	846	137,622	131.34	2,928,843	21.28
Quarries.....	85,475	88	1.03	55,970	636	5,284	61.82	112,202	21.23
Constructional work.....	127,106	119	.94	65,946	554	6,805	53.54	186,236	27.37
Railways:									
Clerical staff.....	54,508	3	.06	973	324	39	.72	754	19.33
Other employees.....	396,884	458	1.15	328,562	717	20,649	52.03	403,550	19.54
Total railways.....	451,392	461	1.02	329,535	715	20,688	45.83	404,304	19.54
Grand total.....	7,512,753	3,447	.46	2,589,397	751	323,224	43.02	7,413,100	22.93

Industry.	Diseases.						Total compen- sation.	
	Fatal.			Nonfatal.			Amount.	Cost per em- ployee.
	Cases.	Cost.		Cases.	Cost.			
		Total.	Per case.		Total.	Per case.		
Shipping, steam.....							\$489,093	\$2.2746
Shipping, sailing vessels.....							60,101	3.0090
Total shipping.....							549,194	2.3370
Factories:								
Cotton.....				2	\$34	\$17.00	199,595	.3631
Wool, worsted, and shoddy.....				2	19	9.50	57,449	.1792
Other textiles.....				5	166	33.20	47,400	.1674
Wood.....	2	\$2,506	\$1,253	3	185	61.67	185,900	.8122
Metals (extraction, etc.).....	2	1,012	506	123	6,653	54.09	662,418	1.5353
Engine and ship building.....	1	346	346	20	2,477	123.85	732,228	2.9126
Other metal work.....	4	1,937	484	71	4,740	66.76	757,213	.7831
Paper and printing.....	1	244	244	18	1,577	87.61	95,890	.2797
China and earthen ware.....	9	7,504	834	113	8,579	75.92	52,509	.9747
Miscellaneous.....	5	4,068	814	185	12,638	68.31	1,112,555	.5377
Total factories.....	24	17,617	734	542	37,068	68.39	3,903,147	.7099
Docks.....	1	910	910	11	326	29.64	422,062	6.2133
Mines.....				1,689	65,124	38.56	4,094,946	3.9079
Quarries.....	1	1,119	1,119	2	53	26.50	169,344	1.9812
Constructional work.....				6	526	87.67	252,708	1.9882
Railways:								
Clerical staff.....							1,727	.0317
Other employees.....				10	350	35.00	732,402	1.8455
Total railways.....				10	350	35.00	734,189	1.6265
Grand total.....	26	19,646	756	2,260	103,447	45.77	10,125,590	1.3478

From this table it appears that the compensation for injuries adds little to the total costs under the act, the amount expended for this purpose being but 1.22 per cent of the total amount expended. The amount of compensation paid in any case depends principally on two factors—the period of disability and the injured workman's earnings. In cases of death the question of whether persons wholly or partly dependent survived is also of importance. The first-mentioned factor is made the subject of the succeeding table; the effect of the second can only be inferred in a general way from the average cost per case in the different industries. In cases which terminated fatally full settlement was made; in nonfatal cases the average cost per case as shown above is of secondary importance, as it represents only the amounts paid on this behalf during the year 1908, in part for cases carried over from the last six months of the previous year, in part for cases wholly entirely within the year, and in part for cases which ran on into the succeeding year.

The highest rate of compensation on account of fatal accidents was paid in the mining industry, that of steam shipping coming next, while the lowest average is for the three cases of death among clerical employees in railway service, none of whom left wholly dependent. The cost per employee for the total amount of compensation paid during the year as here shown is hardly more suggestive of relative costs, as the recent coming into operation of the act of 1906 makes it impossible to assume that a level of experience has been reached.<sup>a</sup> The striking fact appearing in this particular section is the heavy charge per capita in dock service, mining and in the iron and steel industry, coming next. The lowest cost in any mechanical employment is in the textile industries and in paper and printing.

No general report is made as to the ratio between the total compensation and the total wages paid in the various industries in the annual report from which the tables under consideration were taken, however, data relative to textile factories and to railway service introduced from which it is possible to ascertain that the cost of compensation in the cotton factories was approximately 0.17 per cent of the wages, in woolen manufacture 0.11 per cent, and in textiles 0.108 per cent. In railway service the cost of compensation is of course larger, amounting to 0.725 per cent of the wages.

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<sup>a</sup> Statistics of operations for 1909, available after the above was in type, show the average cost per employee for that year to have been \$1.69.

The next table takes up the cases of accident for which compensation was paid, grouping fatal accidents on the basis of surviving dependents, and nonfatal accidents according to the time when compensation payments began:

PAYMENTS FOR COMPENSATION IN CASES OF ACCIDENT IN CERTAIN INDUSTRIES IN THE UNITED KINGDOM UNDER THE COMPENSATION ACT OF 1906, IN THE YEAR 1908.

[Source: Statistics of Compensation and of Proceedings under the Workmen's Compensation Act, 1906, and the Employer's Liability Act, 1880, during the year 1908.]

Industry.	Fatal accidents.								
	Leaving persons wholly dependent.			Leaving persons partially dependent.			Leaving no dependents. (Medical expenses, etc., paid.)		
	Cases.	Cost.		Cases.	Cost.		Cases.	Cost.	
		Total.	Per case.		Total.	Per case.		Total.	Per case.
Shipping, steam.....	178	\$213,128	\$1,197	114	\$42,903	\$376	17	\$633	\$37.24
Shipping, sailing vessels.....	30	34,460	1,149	22	7,027	319	10	326	32.60
Total shipping.....	208	247,588	1,190	136	49,930	367	27	959	35.52
Factories:									
Cotton.....	14	13,656	975	13	6,803	523	3	234	78.00
Wool, worsted, and shoddy.....	7	5,042	720	14	4,073	291	2	97	48.50
Other textiles.....	2	2,355	1,178	5	2,608	522	4	175	43.75
Wood.....	26	21,369	822	9	2,896	322	2	102	51.00
Metals (extraction, etc.).	101	101,330	1,003	40	12,648	316	23	1,207	52.48
Engine and ship building	84	88,371	1,052	44	15,256	347	16	1,187	74.19
Other metal work.....	87	88,268	1,015	39	11,758	301	20	895	44.75
Paper and printing.....	14	12,371	884	6	1,134	189	3	185	61.67
China and earthen ware.	13	11,168	859	2	638	319	1	49	49.00
Miscellaneous.....	225	198,826	884	92	28,547	310	40	1,859	46.48
Total factories.....	573	542,756	947	264	86,361	327	114	5,990	52.54
Docks.....	103	91,111	885	33	11,490	348	20	832	41.60
Mines.....	794	952,948	1,200	384	142,335	371	123	5,645	45.89
Quarries.....	56	50,456	901	15	4,755	317	17	759	44.65
Constructional work.....	55	53,283	969	37	11,597	313	27	1,066	39.48
Railways:									
Clerical staff.....				3	973	324			
Other employees.....	307	293,708	957	109	32,611	299	42	2,243	53.40
Total railways.....	307	293,708	957	112	33,584	300	42	2,243	53.40
Grand total.....	2,096	2,231,850	1,065	981	340,052	347	370	17,495	47.28

PAYMENT FOR COMPENSATION IN CASES OF ACCIDENT IN CERTAIN INDUSTRIES  
IN THE UNITED KINGDOM UNDER THE COMPENSATION ACT OF 1906  
YEAR 1908—Concluded.

Industry.	Nonfatal accidents.				
	Continued from 1907.			Payments begun in 1908.	
	Cases.	Payments.		Cases.	Total.
		Total.	Per case.		
Shipping, steam.....	488	\$34,591	\$70.88	4,919	\$197,616
Shipping, sailing vessels.....	19	1,868	98.32	451	16,416
Total shipping.....	507	36,459	71.91	5,370	214,032
Factories:					
Cotton.....	523	34,864	66.66	7,410	144,000
Wool, worsted, and shoddy.....	139	10,142	72.96	1,833	38,000
Other textiles.....	69	4,521	65.52	1,812	37,500
Wood.....	355	36,323	102.32	4,931	122,500
Metals (extraction, etc.).....	1,860	129,838	69.81	22,644	409,700
Engine and ship building.....	2,631	235,358	89.46	15,920	389,200
Other metal work.....	2,593	139,771	53.90	29,850	509,800
Paper and printing.....	242	16,332	67.49	3,061	64,000
China and earthen ware.....	58	5,100	87.93	1,027	19,400
Miscellaneous.....	2,499	170,143	68.08	36,895	696,400
Total factories.....	10,969	782,392	71.33	125,388	2,430,900
Docks.....	689	58,617	85.08	9,902	258,700
Mines.....	11,849	603,679	50.95	125,773	2,325,200
Quarries.....	329	27,423	83.35	4,955	84,700
Constructional work.....	560	43,312	77.34	6,245	142,900
Railways:					
Clerical staff.....	8	341	42.63	31	410
Other employees.....	1,975	106,041	53.69	18,674	297,500
Total railways.....	1,983	106,382	53.65	18,705	297,910
Grand total.....	26,886	1,658,264	61.68	296,338	5,754,830

The law provides a minimum compensation of £150 (\$729) in cases where persons totally dependent survive a workman killed in an industrial accident or disease, the maximum being £300 (\$1,414), the actual amount (between these limits) being, generally speaking, the earnings of the deceased person for three years. Previous payments on account of the same injury may be deducted, which account for the fact that the payments in the wool, worsted and shoddy industry fall below the statutory minimum. The highest average cost of fatal injuries where dependents were left was in the mines, steam shipping coming second. In cases where no dependents were left, the amounts paid in the cotton industry were highest, other textiles affording nearly the same sum. The lowest rate occurred in paper and printing.

The number of nonfatal cases running over from 1907 was but 28.8 per cent of the number on which payments began in 1908, while the amount paid out in behalf of such surviving cases was 28.8 per cent of the amount paid out during 1908 on cases under the second act. The average per capita payments likewise show the considerable greater cost of surviving cases over new cases, the amounts

\$61.68 and \$19.42, respectively, which indicates more exactly the considerable increase in total cost that may be anticipated with the accumulation of surviving cases in which disability is of long continuance, or is permanent.<sup>(a)</sup>

A presentation similar to the above is made in the next table in regard to payments in cases of industrial disease:

PAYMENTS FOR COMPENSATION IN CASES OF INDUSTRIAL DISEASE IN CERTAIN INDUSTRIES IN THE UNITED KINGDOM UNDER THE COMPENSATION ACT OF 1906, IN THE YEAR 1908.

[Source: Statistics of Compensation and of Proceedings under the Workmen's Compensation Act, 1906, and the Employers' Liability Act, 1880, during the year 1908.]

Industry.	Fatal diseases.								
	Leaving persons wholly dependent.			Leaving persons partially dependent.			Leaving no dependents. (Medical expenses, etc., paid.)		
	Cases.	Cost.		Cases.	Cost.		Cases.	Cost.	
		Total.	Per case.		Total.	Per case.		Total.	Per case.
Shipping, steam.....									
Shipping, sailing vessels.....									
Total shipping.....									
Factories:									
Cotton.....									
Wool, worsted, and shoddy.....									
Other textiles.....									
Wood.....	2	\$2,506	\$1,253						
Metals (extraction, etc.)..	1	730	730	1	\$282	\$282			
Engine and ship building.....				1	346	346			
Other metal work.....	2	1,587	794	2	351	176			
Paper and printing.....	1	243	243						
China and earthen ware..	5	5,801	1,160	3	1,664	555	1	\$39	\$39
Miscellaneous.....	5	4,068	814						
Total factories.....	16	14,935	933	7	2,643	378	1	39	39
Docks.....	1	910	910						
Mines.....									
Quarries.....	1	1,120	1,120						
Constructional work.....									
Railways:									
Clerical staff.....									
Other employees.....									
Total railways.....									
Grand total.....	18	16,965	943	7	2,643	378	1	39	39

<sup>a</sup> Statistics of operations for 1909, available after the above was in type, show the average payment made during that year on account of disablement cases carried over from previous years to have been \$84.19.

PAYMENTS FOR COMPENSATION IN CASES OF INDUSTRIAL DISEASE IN  
INDUSTRIES IN THE UNITED KINGDOM UNDER THE COMPENSATION ACT  
IN THE YEAR 1908—Concluded.

Industry.	Nonfatal diseases.				
	Continued from 1907.			Payments in 1908.	
	Cases.	Cost.		Cases.	Total.
		Total.	Per case.		
Shipping, steam.....					
Shipping, sailing vessels.....					
Total shipping.....					
Factories:					
Cotton.....				2	\$1,484
Wool, worsted, and shoddy.....				2	297
Other textiles.....				5	141.86
Wood.....				3	18
Metals (extraction, etc.).....	11	\$1,484	\$134.91	112	5,16
Engine and ship building.....	1	297	297.00	19	2,18
Other metal work.....	7	993	141.86	64	3,74
Paper and printing.....				18	1,57
China and earthen ware.....	20	4,006	200.25	93	4,57
Miscellaneous.....	21	2,243	106.81	164	10,39
Total factories.....	60	9,023	150.38	482	28,04
Docks.....	2	68	34.00	9	25
Mines.....	139	12,117	87.17	1,550	53,00
Quarries.....	1	34	34.00	1	18
Constructional work.....	1	268	268.00	5	25
Railways:					
Clerical staff.....					
Other employees.....	1	219	219.00	9	131
Total railways.....	1	219	219.00	9	131
Grand total.....	204	21,729	106.51	2,056	81,718

The same general conditions control in compensation for disease as for accident, so far as herein appears, though the cases are too few to warrant any definite conclusions. The relation between the number of continuing nonfatal cases and those beginning in 1908 is practically the same for diseases as for accidents, though the average amount paid out per capita in respect of the former cause are nearly as great as for the latter, which fact is indicative of the greater recovery from accident than from disease.

In cases of long continuance of compensation payment—two weeks or more—the employer may demand an arbitration on the subject of a commutation of further payments in a lump sum. Such commutation may also be accepted by mutual agreement at any time. Eliminating cases in which commutations were made, the periodic compensation payments are shown in the table following.



DURATION OF COMPENSATION IN CASES ARISING IN CERTAIN INDUSTRIES IN THE UNITED KINGDOM UNDER THE COMPENSATION ACT OF 1906, EXCLUDING CASES TERMINATED BY THE PAYMENT OF A LUMP SUM, 1908.

[Source: Statistics of Compensation and of Proceedings under the Workmen's Compensation Act, 1906 and the Employers' Liability Act, 1880, during the year 1908.]

ACCIDENTS.

Industry.	Cases terminating in 1908 in which compensation lasted—						Total terminating in 1908.	Cases not terminated, which had lasted more than one year.
	Less than 2 weeks.	2 weeks and less than 3 weeks.	3 weeks and less than 4 weeks.	4 weeks and less than 13 weeks.	13 weeks and less than 26 weeks.	26 weeks and over.		
Shipping, steam.....	313	680	607	1,892	360	93	3,945	32
Shipping, sailing vessels.....	19	55	45	127	19	9	274	.....
Total shipping.....	332	735	652	2,019	379	102	4,219	32
Factories:								
Cotton.....	725	1,771	1,312	2,691	442	72	7,013	96
Wool, worsted, and shoddy...	140	363	290	849	118	21	1,781	6
Other textiles.....	168	365	261	703	75	28	1,600	5
Wood.....	527	990	786	1,928	193	81	4,500	24
Metals (extraction, etc.).....	2,365	5,665	4,464	9,076	826	225	22,621	145
Engine and ship building.....	1,527	3,313	2,715	6,550	731	236	15,072	158
Other metal work.....	4,511	7,352	5,210	11,095	1,031	282	29,481	153
Paper and printing.....	416	601	489	1,220	138	32	2,896	12
China and earthen ware.....	67	254	177	380	43	11	932	2
Miscellaneous.....	5,272	8,427	6,207	13,229	1,360	360	34,855	180
Total factories.....	15,718	29,101	21,911	47,721	4,957	1,348	120,756	781
Docks.....	916	1,560	1,318	3,458	360	120	7,732	72
Mines.....	10,138	39,440	23,855	45,061	4,882	1,698	125,064	1,182
Quarries.....	504	1,253	873	1,722	211	61	4,624	28
Constructional work.....	786	1,218	1,030	2,155	272	83	5,544	43
Railways:								
Clerical staff.....	8	5	7	12	1	1	34	.....
Other employees.....	3,709	4,952	3,011	6,059	834	316	18,881	186
Total railways.....	3,717	4,957	3,018	6,071	835	317	18,915	186
Grand total....	32,111	78,264	52,657	108,197	11,896	3,729	286,854	2,324

INDUSTRIAL DISEASES.

Shipping, steam.....								
Shipping, sailing vessels.....								
Total shipping.....								
Factories:								
Cotton.....			1		1		2	
Wool, worsted, and shoddy...		1		1			2	
Other textiles.....				4	1		5	
Wood.....						1	1	
Metals (extraction, etc.).....		4	9	49	14	5	81	4
Engine and ship building.....				6	2	2	10	
Other metal work.....	3	3	4	28	7	1	46	1
Paper and printing.....	1	1	2	4	4		12	
China and earthen ware.....		2		27	9	6	44	8
Miscellaneous.....	3	11	10	63	28	9	124	
Total factories.....	7	22	26	182	66	24	327	13
Docks.....				8	1		9	
Mines.....	64	353	249	559	95	84	1,404	34
Quarries.....				2			2	
Constructional work.....				2	1		3	1
Railways:								
Clerical staff.....								
Other employees.....	2	3		3			8	1
Total railways.....	2	3		3			8	1
Grand total.....	73	378	275	756	163	108	1,753	49

Under the act of 1906 compensation is not paid for the of incapacity in cases wherein the period of incapacity is two weeks in length; all cases wherein disability equals or exceeds two weeks are compensated for the entire period. From the data it appears that cases of disability from accident of less than two weeks' duration constituted 11.2 per cent of the cases terminating within the year. Cases lasting two weeks and less than three weeks formed 27.3 per cent of this number, and those lasting three weeks and less than four weeks were 18.4 per cent of the total; 51.3 per cent therefore of the whole number of cases under present consideration were of less than four weeks' duration. In the next group, four weeks and less than thirteen, 37.7 per cent of the cases continued, while 4.1 per cent lasted from thirteen to under twenty-six weeks, and 1.3 per cent in the group twenty-six weeks or over; 2,3 or a number equal to 0.8 per cent of the cases terminating in 1908 were carried over from the last six months of 1907 and continued into the year 1908 and beyond. It must be borne in mind in this connection, however, that cases in which lump sums have been paid upon in lieu of periodical payments are not included in these figures, and that these cases are for the most part those of longer duration, so that these percentages do not represent proportions of the whole number of cases of disability.

The cases of industrial diseases present ratios considerably different from those of accident cases. Only 4.2 per cent of the cases continuing less than two weeks, 15.7 per cent for two weeks and less than three, and 15.7 per cent for three weeks and less than four weeks. Nearly one-half, 49.3 per cent, of the cases fall within the group continuing four weeks but less than thirteen, while 9.3 per cent—more than twice as large a proportion as in accident cases—lasted from thirteen to under twenty-six weeks. Cases continuing twenty-six weeks and over constituted 6.2 per cent of the total terminating within the year, as against 1.3 per cent in the same group in cases of accident. Of 49 cases not terminated which were of more than a year's duration, 2.8 per cent of the number terminating during the year 1908, further illustrating the slower recovery from disabling disease than from accident.

The next tables take up the matter of lump-sum payments in lieu of weekly compensation payments, showing the amount of such payments in agreed cases where no weekly payments were made and where payments had continued for less than twenty-six weeks, and also the payments in cases subject to arbitration on demand by the employer, though agreed adjustments are in no wise restricted in such cases, except that the sum agreed upon may be reviewed on grounds of inadequacy by timely procedure under provisions of the act. The following tables follow.

## LUMP-SUM PAYMENTS FOR COMPENSATION FOR ACCIDENTS AND INDUSTRIAL DISEASES IN CERTAIN INDUSTRIES IN THE UNITED KINGDOM UNDER THE COMPENSATION ACT OF 1906, DURING THE YEAR 1908.

[Source: Statistics of Compensation and of Proceedings under the Workmen's Compensation Act, 1906, and the Employers' Liability Act, 1880, during the year 1908.]

## ACCIDENTS.

Industry.	Cases without previous weekly payments.			Cases after weekly payments continuing for—						All cases.		
				Less than 26 weeks.			26 weeks and over.					
	No.	Cost.		No.	Cost.		No.	Cost.		No.	Cost.	
		Total.	Per case.		Total.	Per case.		Total.	Per case.		Total.	Per case.
Shipping, steam.....	566	\$27,379	\$48.37	209	\$32,854	\$157.20	73	\$23,943	\$327.99	848	\$84,176	\$99.26
Shipping, sailing vessels.....	107	2,857	26.70	17	3,144	184.94	7	2,141	305.86	131	8,142	62.15
Total shipping.	673	30,236	44.93	226	35,998	159.28	80	26,084	326.05	979	92,318	94.30
Factories:												
Cotton.....	91	4,896	53.80	52	8,662	166.58	48	22,260	463.94	191	35,827	187.58
Wool, worsted, and shoddy....	55	5,538	100.69	36	5,703	158.42	24	10,682	445.08	115	21,923	190.63
Other textiles.....	74	3,543	47.88	93	7,777	83.62	23	6,224	270.61	190	17,544	92.34
Wood.....	252	14,084	55.89	217	25,126	115.79	50	22,683	453.66	519	61,893	119.25
Metals (extraction, etc.) .....	271	13,451	49.63	339	38,280	112.92	158	68,024	430.53	768	119,755	155.93
Engine and ship building.....	1,062	28,313	26.66	1,191	78,282	65.73	328	129,177	393.83	2,581	235,772	91.35
Other metal work.....	720	29,053	40.35	571	66,418	116.32	190	69,985	368.34	1,481	165,456	111.72
Paper and printing.....	131	8,852	67.57	93	11,451	123.13	34	12,604	370.71	258	32,907	127.55
China and earthen ware.....	31	1,017	32.81	43	5,475	127.33	3	428	142.67	77	6,920	89.87
Miscellaneous.....	1,286	70,365	54.72	968	116,869	120.73	268	93,928	350.48	2,522	281,162	111.48
Total factories.	3,973	179,112	45.08	3,603	364,043	101.04	1,126	436,004	387.21	8,702	979,159	112.52
Docks.....	1,428	45,808	32.08	519	36,343	70.03	123	34,294	278.81	2,070	116,445	56.25
Mines.....	459	14,011	30.53	350	37,209	106.31	353	139,002	393.77	1,162	190,222	163.70
Quarries.....	140	7,499	53.56	84	10,930	130.12	38	14,108	371.26	262	32,537	124.19
Constructional work.	457	17,588	38.49	284	27,306	96.15	71	23,525	331.34	812	68,389	84.22
Railways:												
Clerical staff.....												
Other employees.	74	9,879	133.50	69	11,933	172.94	84	48,792	580.86	227	70,604	311.03
Total railways.	74	9,879	133.50	69	11,933	172.94	84	48,792	580.86	227	70,604	311.03
Grand total....	7,204	304,103	42.21	5,135	523,762	102.00	1,875	721,809	384.96	14,214	1,549,674	109.02

LUMP-SUM PAYMENTS FOR COMPENSATION FOR ACCIDENTS AND INDUSTRIAL DISEASES IN CERTAIN INDUSTRIES IN THE UNITED KINGDOM UNDER THE COMPENSATION ACT OF 1906, DURING THE YEAR 1908—Concluded.

INDUSTRIAL DISEASES.

Industry.	Cases without previous weekly payments.			Cases after weekly payments continuing for—						All cases.		
				Less than 26 weeks.			26 weeks and over.					
	No.	Cost.		No.	Cost.		No.	Cost.		No.	Total.	
		Total.	Per case.		Total.	Per case.		Total.	Per case.			
Shipping, steam.....												
Shipping, sailing vessels.....												
Total shipping.....												
Factories:												
Cotton.....												
Wool, worsted, and shoddy.....												
Other textiles.....												
Wood.....	1	\$24	\$24.00							1		
Metals (extraction, etc).....	5	146	29.20	10	\$852	\$85.20	3	\$428	\$142.67	18	1,000	
Engine and ship building.....	3	336	112.00	3	102	34.00	2	978	489.00	8	1,000	
Other metal work.....	9	1,232	136.89	7	871	124.43	2	175	87.50	18	2,000	
Paper and printing.....	4	1,051	262.75	1	10	10.00				5	1,000	
China and earthen ware.....	2	117	58.50	3	180	60.00	10	2,409	240.90	15	2,000	
Miscellaneous.....	17	1,474	86.71	13	1,207	92.85	10	2,346	234.60	40	5,000	
Total factories.....	41	4,380	106.83	37	3,222	87.08	27	6,336	234.67	105	13.9	
Docks.....	2	102	51.00							2	1,000	
Mines.....	2	233	116.50	7	438	62.57	4	1,353	338.25	13	2,000	
Quarries.....												
Constructional work.....				1	5	5.00				1		
Railways:												
Clerical staff.....												
Other employees.....												
Total railways.....												
Grand total.....	45	4,715	104.78	45	3,665	81.44	31	7,689	248.03	121	16,000	

The natural assumption that cases of accidents promising brevity of only slight duration or actually terminated before the payment of compensation would furnish the greater portion of the cases in which settlement was made without previous weekly payments is borne out by the average amounts of such payments. Payments in this class of cases vary little in the different industries considered, the general average being but 41.4 per cent of the amount paid after weekly payments continuing for less than 26 weeks or 11 per cent of the average amount paid after 26 weeks or more of weekly payments. This ratio does not hold in the case of payments in cases of disease, the lump-sum payments without previous weekly payments being here slightly larger than payments in case of accident after weekly payments of less than 26 weeks. Such payments are also larger than the payments made in settlement of claims.

disease on which previous payments have been made for less than 26 weeks. The average amount of lump-sum payments is greater in cases of disease than of accident, though settlement for accidents after weekly payments continuing 26 weeks or more involves a larger average sum than in the case of diseases. This accords with the view that an accident from which recovery is not made within the first six months is likely to result in permanent disability, while the amounts paid in cases of disease suggest an anticipated recovery. The number of cases under consideration is too small, however, to afford a basis for final conclusions.

Another phase of the practice of commutation of weekly payments by the payment of a lump sum, either by agreement or in accordance with proceedings had in court, is briefly illustrated in the following table. The first group of cases covers the experience in this respect of the accident department of an insurance company from June, 1900, to March, 1904, in cases of permanent disability. In these cases the amount of commutation was arrived at by agreement, while the last two cases represent awards by the county court.

COMMUTATION OF WEEKLY PAYMENTS FOR "PERMANENT DISABLEMENT."

[Source: Report of Departmental Committee Appointed to Inquire into the Law Relating to Compensation for Injuries to Workmen, 1904.]

Nature of injury.	Date of accident.	Date of commutation.	Weekly payments (half wages).	Amount of commutation.
<b>AGREEMENTS.</b>				
Left hand injured.....	Apr. 30, 1902	Jan., 1904	\$3.89	\$1,703
Right arm disabled.....	Sept. 17, 1900	Nov., 1902	4.87	1,606
Amputation of right thumb, ring, and little finger.....	June 20, 1901	Apr., 1902	4.26	1,460
Amputation of right forearm.....	Oct. 26, 1901	June, 1902	2.92	827
Amputation of fingers of right hand.....	Dec. 9, 1901	Feb., 1902	2.84	900
Amputation of leg.....	Dec. 26, 1901	Oct., 1902	4.38	876
Amputation of left hand.....	Jan. 24, 1902	Feb., 1903	4.62	1,338
Amputation of part of left hand.....	Feb. 19, 1902	Oct., 1902	3.26	827
Loss of left eye, right eye slightly affected.....	May 13, 1902	Jan., 1903	4.87	852
Shortening of right leg.....	Nov. 8, 1902	Apr., 1903	3.41	730
Loss of sight of left eye, right eye slightly affected.....	Feb. 2, 1903	Oct., 1903	3.65	730
Amputation of right forearm.....	Feb. 23, 1903	May, 1903	4.87	900
Amputation of right leg.....	Sept. 8, 1903	Nov., 1903	4.87	915
<b>COURT AWARDS.</b>				
Broken ankle.....	(a)	Oct., 1900	4.87	2,920
Amputation of two fingers of right hand.....	(a)	Oct., 1903	.94	973

(a) Not reported.

The concluding table of this series is one that shows the of cases of disease of each kind provided for by the compensation of 1906, by industries. Only those diseases are shown in the which were reported as occurring in 1908, and the industries are grouped somewhat in this presentation, but none embraced in the foregoing tables is omitted. The table follows:

**CASES OF INDUSTRIAL DISEASE OCCURRING IN CERTAIN INDUSTRIES IN THE UNITED KINGDOM FOR WHICH FIRST PAYMENTS OF COMPENSATION WERE MADE IN 1908 UNDER THE COMPENSATION ACT OF 1906, CLASSIFIED ACCORDING TO DISEASE AND EMPLOYMENT.**

[Source: Statistics of Compensation and of Proceedings under the Workmen's Compensation Act, 1906, and the Employers' Liability Act, 1880, during the year 1908.]

Disease.	Number of cases in—									
	Factories.						Mines	Quarries.	Railway service (other than clerical).	Docks.
	Textile.	Metal (extraction, working, etc.)	Paper and printing.	China and earthenware.	Miscellaneous.	All factories.				
Anthrax.....	5	1	.....	1	8	15	.....	.....	.....	8
Lead poisoning or its sequelæ.....	1	191	16	100	99	407	4	.....	7	1
Mercury poisoning or its sequelæ.....	.....	.....	.....	.....	3	3	.....	.....	.....	.....
Phosphorous poisoning or its sequelæ.....	.....	.....	.....	.....	1	1	.....	.....	.....	.....
Arsenic poisoning or its sequelæ.....	.....	2	1	.....	11	14	1	.....	.....	.....
Ankylostomiasis.....	.....	.....	.....	.....	.....	.....	6	.....	.....	.....
Poisoning by nitro and amido derivatives of benzine or its sequelæ.....	1	.....	.....	.....	9	10	.....	.....	.....	.....
Chrome ulceration or its sequelæ.....	1	.....	.....	.....	19	20	.....	.....	.....	.....
Eczematous ulceration of the skin.....	1	4	2	.....	10	17	2	.....	.....	.....
Epitheliomatous cancer, etc.....	.....	.....	.....	.....	4	4	1	.....	.....	.....
Scrotal epithelioma.....	.....	.....	.....	.....	1	1	.....	.....	.....	.....
Nystagmus.....	.....	.....	.....	.....	.....	.....	386	.....	.....	.....
Compressed-air illness or its sequelæ.....	.....	1	.....	.....	6	7	.....	.....	.....	.....
Subcutaneous cellulitis of the hand (beat hand).....	.....	.....	.....	.....	2	2	459	1	2	.....
Subcutaneous cellulitis over the patella (miners' beat knee).....	.....	2	.....	.....	.....	2	537	.....	.....	.....
Acute bursitis over the elbow (miners' beat elbow).....	.....	.....	.....	.....	.....	.....	67	.....	.....	.....
Inflammation of the synovial lining of the wrist joint and tendon sheaths.....	.....	.....	.....	.....	.....	.....	87	.....	.....	.....
Total.....	9	201	19	101	173	503	1,550	1	9	9

The mining industry furnished almost three-fourths of all cases of industrial disease in 1908, while lead poisoning was the cause of more than four-fifths of all cases of disease occurring outside of the mines.

#### SCHEMES FOR CONTRACTING OUT.

As already stated, schemes of compensation which are approved by the registrar of friendly societies may be substituted for liability under both the employers' liability act and the compensation

but since these provisions must be shown to be not less favorable to the workmen than are those of the compensation act there would seem to be little advantage to the employer in the adoption of such schemes; and in fact the number of such schemes has not been so large as to indicate any considerable desire for their maintenance. Thus, a report for the first five years of the operation of the compensation act of 1897 presents data for but 55 certified schemes, covering all returns received during the period. Not all the schemes were in existence during all the time, the number in actual operation for the year ending June 30, 1903, the closing year of the period, being 52. One new scheme was added during the calendar year, and among those whose certificates expired with the year, 22 were merged in a larger society, while 5 put in no applications for renewal.

The act of 1906 made some changes in the conditions of certification, and required all existing schemes to be certified thereunder within six months from July 1, 1907, the date of the coming into effect of the law. As a result of this requirement, 24 of the 51 schemes in existence on July 1, 1907, procured recertification, and 7 schemes under the new law were granted certificates. During the year 1908, 49 certificates were issued, 47 of them being of identical form, while two were in lieu of schemes that had lapsed under the provisions of the act of 1906. The provisions of some of these schemes may be briefly noted.

The scheme submitted by the South Metropolitan Gas Company was supported by 3,970 of the 5,429 workmen employed, and provides a pension for the children and a pension for life or until remarriage for the widow of a workman who is killed by accident, the pension ranging from 10 to 20 shillings (\$2.43 to \$4.87) per week. If a workman leaves no dependents, a lump sum is to be paid, not exceeding £10 (\$48.67). In case of total incapacity, there is a payment to adult workmen of 18s. (\$4.38) per week and free medical attendance; for those under 21 years of age the weekly payment is reduced one-half. Where partial incapacity is the result of an accident, so that the employee is unable to resume his ordinary work, employment is to be furnished at a compensation of not less than 24s. (\$5.84) per week. The employees contribute not less than 1d. (2 cents) per quarter and not more than that sum per month, the employer's contributions to be sufficient to maintain the fund's solvency. This scheme provides, in excess of the statutory requirements, for a payment of 18s. (\$4.38) for the first week of disablement in all cases where incapacity lasts for more than three days, as well as free medical and surgical attendance.

The Great Eastern Railroad Company submitted a scheme, supported by 23,435 of its 32,622 workmen. Compensation for death is to be the same as that provided by the act. In cases of total



incapacity, the full wages are paid from the date of incapacity, but not in excess of £1 (\$4.87) per week. If the injured employee is under 21 years of age, he receives his full average earnings beginning with the date of injury. This is in excess of the provisions of the act, which requires only one-half the earnings to be paid, beginning with the second week. Employees contribute 1d. (2 cents) each per week to this fund, and the employer the full amount of his liability under the act.

In the year 1907 the Associated Employers of the Bristol Channel Ports submitted a scheme to be administered by the Bristol Channel Ports Friendly Society, covering the employment of coal trimmers, or workmen engaged in the loading of vessels with cargoes or a fuel supply of coal. Two schemes of identical form were registered in 1907 and 47 others in 1908, all 49 being considered by the registrar of friendly societies as a single organization, though involving the issue of separate certificates to each employer concerned. The scheme provides for a payment of £150 (\$729.98) where a workman dying from the result of an injury leaves a widow alone; £200 (\$973.30) if there is also one child under 16 years of age; £250 (\$1,216.63) if there are also two children under 16 years of age; £300 (\$1,459.95) if there are also three or more children under 16. Where there are certain other dependents, the compensation shall amount to three years' contribution by the deceased employee to the support of such dependents, but the total shall not exceed £300 (\$1,459.95). If no dependents survive, the payment shall not exceed £10 (\$48.67). In cases of incapacity a benefit of £1 (\$4.87) per week is paid for the first 26 weeks, after which 10s. (\$2.43) per week is paid. The contributions of workmen to the funds of this scheme are 1s. 1d. (26 cents) each per quarter, while employers are to contribute not less than 12s. 6d. (\$3.04) per £100 (\$486.65) gross wages paid by them during the preceding 12 months in connection with the employments, this being at the rate of 0.62 per cent of the wages.

The benefits of this scheme in excess of the requirements under the compensation act of 1906 are pay for the first week's incapacity in any case, £1 (\$4.87) per week for 26 weeks whether the average earnings were £2 (\$9.73) per week or not, and provisions for loss of arms, legs, or eyes.

Some of the schemes contain provisions for old-age pensions or annual grants to aged members, without reference to any other cause of disability than old age.

The experience of schemes for contracting out under the act of 1897 is summarized in the report of the registrar for friendly societies for the year 1907. This shows the totals of receipts and expenditures of all schemes certified under that act for nine years, July 1, 1898, to



June 30, 1907; also for such schemes (27 in number) as were revoked under the new law, until their extinction, December 31, 1907.

As is indicated by the cases set forth above, not all the workmen in the establishments concerned accept the provisions of the schemes, though the proportion not so accepting is small. Thus, for the first five years the establishments having such schemes had an average of 127,317 employees of whom 123,172 accepted the benefits offered thereby while in 1907 there were 107,429 employees in such establishments, of whom 103,444 were under the schemes. The payments under the scheme may be assumed, therefore, to practically cover the liability of the employers for their entire working force.

The following table presents the data above described:

**SUMMARY OF FINANCIAL OPERATIONS OF SCHEMES CERTIFIED UNDER THE WORKMEN'S COMPENSATION ACT OF 1897, FROM JULY 1, 1898, TO DECEMBER 31, 1907.**

[Source: Reports of the Chief Registrar of Friendly Societies for the year ending December 31, 1907.]

Industry.	Average number of employees included.	Receipts.				Expenditures.					
		Contributions—		Other receipts.	Total.	Benefits.			Other payments.	Management.	Total.
		From employers.	From employees.			Death.	Incapacity.	Other.			
Factories...	24,333	\$140,958	\$293,946	\$11,325	\$446,229	\$57,468	\$213,800	\$73,431	\$39,171	\$6,686	\$390,556
Mines.....	62,179	1,284,323	1,708,200	175,578	3,168,101	382,984	1,461,824	359,323	80,506	243,700	2,528,337
Quarries...	1,208	8,789	17,899	2,321	28,999	268	11,363	7,470	6,341	1,324	26,766
Railways...	40,477	370,706	751,811	.....	1,122,517	322,756	758,609	7,076	.....	.....	1,088,441
Total.	128,197	1,804,776	2,771,846	189,224	4,765,846	763,476	2,445,596	447,300	126,018	251,710	4,034,100

The difference between receipts and expenditures is £150,364 (\$731,746), while there is an actual sum on hand or disposed of on the termination of various schemes aggregating £170,907 (\$831,719). The difference of £20,543 (\$99,973) is accounted for by the fact that 25 schemes in existence prior to their certification transferred sums of that amount to the certified schemes. A balance of £105,474 (\$513,289) awaits disposal, while £3,310 (\$16,108) was returned to employers on the termination of funds, £2,733 (\$13,300) to employees, £58,193 (\$283,197) was transferred to schemes renewed under the act of 1906, and £1,197 (\$5,825) was given to workmen's provident funds.

The table following shows for each class of industry the number and duration of the cases of incapacity, grouped by length of incapacity; also the cost of the same under the schemes in use, showing totals and averages for each of the nine years (July 1, 1898, to June 30, 1907) of the operation of the law of 1897, and for the second half of the year 1907 for such funds as expired at the end of the year.

NUMBER AND DURATION OF CASES OF INCAPACITY AND AMOUNT OF WEEKLY PAYMENTS TO WORKMEN UNDER SCHEMES CERTIFIED UNDER WORKMEN'S COMPENSATION ACT OF 1897, FROM JULY 1, 1898, TO DECEMBER 31, 1907.

[Source: Reports of the Chief Registrar of Friendly Societies for the year ending December 31, 1907.]

**FACTORIES.**

Year ending June 30—	Number of workmen.	Cases.											
		Lasting 2 weeks and under.				Lasting over 2 weeks.				Total.			
		Number.	Per cent of workmen.	Average weeks duration.	Average cost.	Number.	Per cent of workmen.	Average weeks duration.	Average cost.	Number.	Per cent of workmen.	Average weeks duration.	Average cost.
1899.....	19,312	893	4.62	1.2	\$3.47	797	4.13	4.7	\$14.40	1,690	8.75	2.8	\$8.63
1900.....	20,930	880	4.20	1.3	3.59	1,012	4.84	5.8	18.91	1,892	9.04	3.7	11.78
1901.....	22,731	896	3.94	1.3	3.69	987	4.34	5.5	18.19	1,883	8.28	3.5	11.29
1902.....	20,782	852	4.10	1.4	3.70	931	4.48	5.5	17.58	1,783	8.58	3.5	10.95
1903.....	21,063	676	3.21	1.3	3.74	940	4.46	5.9	18.93	1,616	7.67	4.0	12.58
1904.....	21,442	710	3.31	1.4	3.90	936	4.37	5.7	17.93	1,646	7.68	3.9	11.88
1905.....	22,232	608	3.14	1.3	3.58	954	4.29	5.9	18.91	1,652	7.43	4.0	12.43
1906.....	22,855	737	3.22	1.4	3.79	937	4.10	6.9	20.71	1,674	7.32	4.5	13.26
1907.....	23,429	856	3.65	1.3	3.68	1,102	4.70	6.6	20.05	1,958	8.36	4.3	12.89
1907 (a).....	11,071	21	.....	1.6	6.71	185	.....	6.0	9.65	206	.....	5.5	9.35
Total.....	.....	7,219	.....	1.3	3.68	8,781	.....	5.9	18.32	16,000	.....	3.8	11.71

**MINES.**

1899.....	46,299	4,298	9.28	1.4	\$3.24	4,095	8.85	5.5	\$14.01	8,393	18.13	3.4	\$8.5
1900.....	65,781	7,644	11.62	1.4	3.39	6,117	9.30	6.7	17.07	13,761	20.92	3.7	9.4
1901.....	70,142	7,477	10.66	1.4	3.46	6,017	8.58	7.2	18.28	13,494	19.24	4.0	10.0
1902.....	65,981	7,001	10.61	1.4	3.52	6,044	9.16	7.6	19.19	13,045	19.77	4.3	10.1
1903.....	59,429	6,526	10.98	1.4	3.63	5,793	9.75	8.5	21.52	12,319	20.73	4.8	12.0
1904.....	54,000	5,945	11.01	1.5	3.94	5,393	9.99	9.3	23.61	11,338	21.00	5.2	13.0
1905.....	48,532	5,623	11.59	1.4	3.90	5,586	11.51	8.9	23.02	11,209	23.10	5.2	13.0
1906.....	50,269	6,281	12.49	1.4	3.88	5,944	11.82	9.0	23.50	12,225	24.32	5.1	13.0
1907.....	50,234	6,600	13.14	1.4	3.98	6,001	11.95	9.0	23.67	12,601	25.08	5.1	13.0
1907 (a).....	24,620	1,564	.....	1.5	4.14	1,178	.....	14.8	37.87	2,742	.....	7.3	18.0
Total.....	.....	58,959	.....	1.4	3.67	52,168	.....	8.2	20.98	111,127	.....	4.6	11.0

**QUARRIES.**

1899.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1900.....	300	14	4.67	1.2	\$2.43	9	3.00	6.2	\$14.11	23	7.67	3.2	\$
1901.....	300	20	6.67	1.5	3.40	16	5.33	4.7	10.06	36	12.00	2.9	
1902.....	293	17	5.80	1.4	2.88	25	8.53	7.2	15.96	42	14.33	4.9	1
1903.....	1,239	250	20.18	1.2	2.74	110	8.88	5.7	13.05	360	29.06	2.6	
1904.....	1,237	202	16.33	1.2	2.82	108	8.73	6.2	13.47	310	25.08	3.0	
1905.....	1,236	168	13.59	1.1	2.75	127	10.28	5.9	12.38	295	23.87	3.2	
1906.....	900	207	23.00	1.2	2.85	100	11.11	6.3	14.36	307	34.11	2.9	
1907.....	847	152	17.95	1.2	2.91	96	11.33	6.3	14.15	248	29.28	3.2	
1907 (a).....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total.....	.....	1,030	.....	1.2	2.82	591	.....	6.1	13.44	1,621	.....	3.0	.....

**RAILROADS.**

1899.....	38,372	1,870	4.87	1.3	\$5.86	2,252	5.87	5.2	\$23.68	4,122	10.74	3.5	
1900.....	39,409	2,242	5.69	1.4	5.97	2,704	6.86	5.8	26.75	4,946	12.55	3.8	
1901.....	40,431	2,389	5.91	1.3	6.05	2,590	6.41	6.0	28.23	4,979	12.31	3.7	
1902.....	40,288	2,328	5.78	1.4	6.07	2,465	6.12	6.3	30.43	4,793	11.90	3.9	
1903.....	40,710	2,159	5.30	1.4	6.17	2,659	6.53	6.1	29.28	4,818	11.83	4.0	
1904.....	40,940	1,914	4.68	1.4	6.20	2,126	5.19	7.7	31.05	4,040	9.87	4.7	
1905.....	28,215	1,447	5.13	1.3	5.85	1,544	5.47	5.6	24.92	2,991	10.00	3.5	
1906.....	28,702	1,527	5.32	1.3	5.94	1,528	5.32	5.8	25.96	3,055	10.64	3.6	
1907.....	28,934	1,534	5.30	1.3	5.76	1,681	5.81	5.9	26.38	3,215	11.11	3.7	
1907 (a).....	29,009	768	.....	1.4	5.98	806	.....	6.4	28.51	1,574	.....	4.0	
Total.....	.....	18,178	.....	1.4	6.00	20,355	.....	6.1	27.66	38,533	.....	3.4	

\* Six months ending December 31; data not comparable with that for previous periods.

It is not possible to draw exact conclusions as to the percentage of accidents on the basis of the number of employees, since no information is available as to actual employment, the number of workmen shown above being generally the maximum number employed for the year. From this table it appears that in factories, the cases lasting two weeks or less were 45.1 per cent of the total and involved the expenditure of 14.2 per cent of the weekly payments.. Additional payments in lump sums amounted to £5,417 (\$26,362).

Accidents in mines involving not more than two weeks' incapacity constituted 53.1 per cent of the total, and called for 16.5 per cent of the weekly payments. Besides these weekly payments, £30,948 (\$150,608) were paid in lump sums.

In quarries, the accidents involving not more than two weeks' incapacity were 63.5 per cent of the total, costing 26.8 per cent of the total weekly payments. There were also lump-sum payments to the amount of £107 (\$521).

In railway employment, injuries lasting two weeks and under, and hence not coming within the provisions of the compensation act of 1897, constituted 47.2 per cent of all the cases, and called for the expenditure of 16.2 per cent of the total amount of weekly payments for injuries. In addition to the total weekly payments shown, lump-sum payments amounting to £17,765 (\$86,453) were made.

It is possible to show certain data pertaining to completed cases of incapacity from injury since July 1, 1903. These are summarized in the following table:

NUMBER AND DURATION OF COMPLETED CASES OF INCAPACITY, AND AMOUNT OF WEEKLY PAYMENTS TO WORKMEN UNDER SCHEMES CERTIFIED UNDER THE WORKMEN'S COMPENSATION ACT OF 1897, FROM JULY 1, 1903, TO DECEMBER 31, 1907

[Source: Reports of the Chief Registrar of Friendly Societies for the year ending December 31, 1907.]

Industry.	Cases lasting 2 weeks and under.				Cases lasting over 2 weeks and not over 26 weeks.				Cases lasting over 26 weeks.				Total cases.		
	Num-ber.	Per cent of total cases	Average wks. du-ration.	Average cost.	Num-ber.	Per cent of total cases	Average wks. du-ration.	Average cost.	Num-ber.	Per cent of total cases	Average wks. du-ration.	Average cost.	Num-ber.	Average wks. du-ration.	Average cost.
Factories.....	2,985	41.9	1.3	\$3.59	4,073	57.3	5.0	\$14.89	61	0.9	50.1	\$155.49	7,119	3.8	\$11.35
Mines.....	25,839	50.7	1.4	3.86	24,403	47.9	5.4	14.95	703	1.4	72.6	188.71	50,945	4.3	11.70
Quarries.....	756	64.7	1.2	2.80	408	34.9	4.5	10.53	4	.3	140.1	145.00	1,168	2.0	5.99
Railways.....	7,089	47.4	1.3	5.77	7,680	51.7	5.1	23.25	139	.9	44.2	195.67	14,858	3.7	16.59
Total....	36,619	49.4	1.4	4.18	36,564	49.4	5.2	16.61	907	1.2	67.1	187.35	74,090	4.1	12.56

This table shows 49.4 per cent of the cases to have been completed within two weeks, involving 16.5 per cent of the total cost of the accidents under consideration. In the second group, lasting two weeks and not over 26 weeks, the same percentage of cases cost 65.3 per

cent of the total, the remaining 1.2 per cent of cases of longer duration requiring 18.3 per cent of the compensation.

The above table deals only with cases fully completed, and does not take into account those which are still receiving compensation, and may have been receiving it for some time, with perhaps years yet to continue.

In addition to the cases and payments shown in the table, payments of lump sums have been made in settlement of claims, or funds have been set aside to meet existing claims, etc., of employees injured between July 1, 1903, and December 31, 1907. These amounts are shown in the following table:

**LUMP-SUM PAYMENTS AND SUMS IN HAND FOR THE ADJUSTMENT OF CLAIMS OTHER THAN COMPLETED CLAIMS COMPENSATED BY WEEKLY PAYMENTS UNDER SCHEMES CERTIFIED UNDER THE WORKMEN'S COMPENSATION ACT OF 1897, FROM JULY 1, 1903, TO DECEMBER 31, 1907.**

[Source: Reports of the Chief Registrar of Friendly Societies for the year ending December 31, 1907.]

Industry.	Lump-sum payments.	Amount transferred to renewed schemes, etc.	Awaiting determination.
Factories.....	\$26,362	\$71,104	\$4,283
Mines.....	150,608	213,012	474,931
Quarries.....	521	4,905	.....
Railways.....	86,453	.....	34,075
Total.....	263,944	289,021	513,289

A more detailed showing of the number and cost of cases completed by weekly payments in England and Wales under certified schemes in the year 1908, by industries and periods of compensation payments, is available. This showing is restricted to schemes certified under the act of 1906, with reference to which a brief preliminary table showing the number of persons included and the number of deaths and of nonfatal accidents causing incapacity during the year is first presented. The second table includes only the incapacitating accidents on account of which weekly payments were made, and which were completed during the year 1908. This includes some accidents occurring in the last six months of 1907, so that in two industries the number of cases terminating is larger than the number of accidents occurring during the year. The tables follow.

CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1537

NUMBER OF WORKMEN EMPLOYED IN ESTABLISHMENTS HAVING SCHEMES FOR CONTRACTING OUT UNDER THE WORKMEN'S COMPENSATION ACT OF 1906, IN ENGLAND AND WALES, THE NUMBER CONTRACTING OUT, AND THE NUMBER OF DEATHS AND OF NONFATAL ACCIDENTS IN SUCH ESTABLISHMENTS IN 1908.

[Source: Reports of the Chief Registrar of Friendly Societies for 1908. Part A.]

Industry.	Number of workmen—		Deaths.	Cases of incapacity.
	Employed.	Included in schemes.		
Factories.....	16,539	16,205	5	1,185
Mines.....	17,227	16,702	12	3,290
Quarries.....	770	770	.....	223
Railways.....	30,000	28,628	38	2,911
Total.....	64,536	62,305	55	7,609

NUMBER AND COST OF CASES OF INCAPACITY FROM INJURY IN ENGLAND AND WALES, COMPLETED DURING THE YEAR 1908 BY WEEKLY PAYMENTS UNDER SCHEMES CERTIFIED UNDER THE WORKMEN'S COMPENSATION ACT OF 1906.

[Source: Reports of the Chief Registrar of Friendly Societies for 1908. Part A.]

Duration of cases.	Factories.				Railways.			
	Cases.		Cost.		Cases.		Cost.	
	Num-ber.	Per cent.	Amount.	Per cent.	Num-ber.	Per cent.	Amount.	Per cent.
Cases lasting—								
1 week and under.....	225	18.7	\$607.58	3.3	425	15.6	\$1,543.06	3.8
Over 1 week and under 2.....	163	13.5	850.46	4.6	707	26.0	4,611.94	11.3
2 weeks and under 4.....	450	37.4	4,740.27	25.9	944	34.7	11,544.21	28.3
4 weeks and under 6.....	163	13.5	2,922.74	15.9	330	12.1	7,428.94	18.2
6 weeks and under 8.....	72	6.0	1,833.56	10.0	140	5.2	4,351.89	10.7
8 weeks and under 10.....	42	3.5	1,256.95	6.9	61	2.3	2,489.70	6.1
10 weeks and under 13.....	39	3.3	1,703.11	9.3	44	1.6	2,246.90	5.5
13 weeks and under 26.....	36	3.0	2,538.45	13.8	55	2.0	4,662.70	11.4
26 weeks and over.....	13	1.1	1,879.79	10.3	14	.5	1,933.54	4.7
Total.....	1,203	100.0	18,332.91	100.0	2,720	100.0	40,812.88	100.0

Duration of cases.	Mines.				Quarries.				Total—factories, railways, mines, and quarries.			
	Cases.		Cost.		Cases.		Cost.		Cases.		Cost.	
	Num-ber.	Per cent.	Amount.	Per cent.	Num-ber.	Per cent.	Amount	Per cent.	Num-ber.	Per cent.	Amount.	Per cent.
Cases lasting—												
1 week and under.....	704	21.4	\$1,996.83	6.2	58	26.4	\$108.68	8.1	1,412	19.0	\$4,256.15	4.6
Over 1 week and under 2.....	544	16.5	2,330.02	7.2	65	29.5	242.32	18.2	1,479	19.9	8,034.74	8.6
2 weeks and under 4..	1,231	37.4	9,390.07	29.0	72	32.7	476.51	35.7	2,697	36.2	26,151.06	28.2
4 weeks and under 6..	401	12.2	5,431.88	16.8	13	5.9	150.46	11.3	907	12.2	15,934.02	17.2
6 weeks and under 8..	191	5.8	3,610.37	11.1	4	1.8	60.42	4.5	407	5.5	9,856.24	10.6
8 weeks and under 10..	97	2.9	2,486.93	7.7	2	.9	44.20	3.3	202	2.7	6,277.78	6.8
10 weeks and under 13..	57	1.7	2,007.68	6.2	2	.9	49.48	3.7	142	1.9	6,007.17	6.5
13 weeks and under 26..	54	1.6	2,833.74	8.7	3	1.4	117.60	8.8	148	2.0	10,152.49	10.9
26 weeks and over.....	15	.5	2,283.52	7.1	1	.5	85.98	6.4	43	.6	6,182.83	6.6
Total.....	3,294	100.0	32,371.04	100.0	220	100.0	1,335.65	100.0	7,437	100.0	92,852.48	100.0

The accidents causing incapacity for a period of one week or less amounted to 19 per cent of the total, but required but 4.6 per cent of the amount paid out as compensation to meet their demands, the average amount of compensation per capita being \$3.01. The quarrying industry had more than one-half its accidents (55.9 per cent) in the two groups of shortest duration of incapacity, railways coming next with 41.6 per cent of the total number of cases. The first two weeks witnessed the termination of 38.9 per cent of all cases, the next two weeks having an almost equal number, or together disposing of 75.1 per cent of all cases at a cost of but 41.4 per cent of the total compensation paid, while the 4.5 per cent of cases lasting ten weeks or more required compensation amounting to 24 per cent of the total. Factories furnish the largest percentage of cases for each period of duration of four weeks or longer, the percentage of accidents in the last group (twenty-six weeks and over) being more than twice as great as for any other industry.

The data presented in the series of tables given above relate only to cases of incapacity in which payment is made to the injured employee. A summary of payments made on account of death from injury shows the number, amounts paid, and number of dependents in cases covered by schemes certified under the act of 1897 for the period of the operation of such schemes.

**NUMBER OF WORKMEN WHO DIED FROM INJURY, NUMBER OF DEPENDENTS, AND AMOUNT PAID UNDER SCHEMES CERTIFIED UNDER THE WORKMEN'S COMPENSATION ACT OF 1897, FROM JULY 1, 1898, TO DECEMBER 31, 1907.**

[Source: Reports of the Chief Registrar of Friendly Societies for the year ending December 31, 1907.]

Industry.	Employees.			Dependents.					Payments on account of employees—					
	Leaving no dependents.	Leaving dependents.	Total.	Widows.	Children.	Parents.	Others.	Total.	Leaving no dependents.		Leaving dependents.		Total.	Average.
									Total.	Average.	Total.	Average.		
Factories.....	14	66	80	58	99	16	.....	173	\$3,991	\$285	\$53,478	\$810	\$57,469	\$718
Mines.....	263	566	829	496	967	82	3	1,548	27,160	103	355,824	629	382,984	462
Quarries.....	1	2	3	2	4	.....	.....	6	63	63	204	102	267	89
Railways.....	43	366	409	255	679	142	10	1,086	20,858	485	301,898	825	322,756	789
Total..	321	1,000	1,321	811	1,749	240	13	2,813	52,072	162	711,404	711	763,476	578

It only remains to present a summary of the contributions of workmen and employers and the application or disposal of each class of funds. These are shown in the form of a statement of the nature of the receipts and the object of the disbursements for workmen and employers separately, besides a showing of the disposition made of remaining balances.

# CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1539

## SUMMARY OF RECEIPTS AND EXPENDITURES UNDER SCHEMES CERTIFIED UNDER THE WORKMEN'S COMPENSATION ACT OF 1897, JULY 1, 1898, TO DECEMBER 31, 1907.

[Source: Reports of the Chief Registrar of Friendly Societies for the year ending December 31, 1907.]

### *Workmen's account.*

Receipts.		Expenditures.	
Items.	Amount.	Items.	Amount.
Contributions.....	\$1,804,776	First two weeks' incapacity.....	\$843,214
Interest.....	161,723	Deaths from natural causes.....	31,910
Other receipts.....	27,501	Other benefits (personal).....	251,622
		Other payments (general).....	63,513
		Management.....	229,280
		Medical aid (one-third).....	54,587
		Balance.....	519,874
Total.....	1,994,000	Total.....	1,994,000

### *Employers' account.*

Contributions.....	\$2,771,846	Incapacity after second week.....	\$1,338,438
		Lump-sum payments.....	263,944
		Deaths from accident.....	763,476
		Medical aid (two-thirds).....	109,180
		Subscriptions to hospitals.....	23,413
		Law costs.....	22,430
		Insurance.....	39,092
		Balance.....	211,873
Total.....	2,771,846	Total.....	2,771,846

### *Classes and apportionment of balances.*

From workmen's account.....	\$519,874	Divided among workmen.....	\$13,300
From employers' account.....	211,873	Divided among employers.....	16,108
Transferred from prior existing funds..	99,972	Transferred to renewed schemes.....	283,197
		Applied to provident funds.....	5,825
		Balance to meet outstanding claims, etc.	513,289
Total.....	831,719	Total.....	831,719

Against the undistributed balance shown above there were 683 outstanding claims for compensation of temporary and permanent incapacity, besides allowances to dependents. It is clear from the above accounts that a considerable expenditure was made for benefits not required by the statute. This is particularly true as regards the expenditures of the funds presented in the "Workmen's Account," and the matter of medical aid, which is apportioned somewhat arbitrarily between the workmen and the employers.

Besides administering funds transferred from previously existing institutions it is competent for schemes to register under the friendly societies act, and combine the objects of a scheme under the compensation act with those of a friendly society. This was done by 18 of the schemes whose accounts are presented above.

The item "Other benefits," shown in the first of the above three statements, includes expenditures on account of obligations incurred prior to the inception of the schemes, including payments to dependents of deceased employees, payments for incapacity, and payments on account of old age, and other expenditures of a personal nature.



The excess of the payments actually made under the schemes over the payments required by the act has been computed in a number of cases, the results being as follows:

PAYMENTS MADE UNDER SCHEMES CERTIFIED UNDER THE WORKMEN'S COMPEN-  
SATION ACT OF 1897 AND ESTIMATED REQUIRED MAXIMUM PAYMENTS UNDER THE  
ACT, FROM JULY 1, 1898, TO DECEMBER 31, 1907.

[Source: Reports of the Chief Registrar of Friendly Societies for the year ending December 31, 1907.]

Industry.	Estimated statutory maximum.	Paid under schemes.	Per cent of excess pay- ments.
Factories .....	\$89,558	\$138,374	54.5
Mines .....	236,011	354,354	50.1
Quarries .....			
Railways .....	63,469	156,624	146.8
Total .....	389,038	649,352	66.9

COST OF THE COMPENSATION ACT.

The question as to the extent to which the compensation act is a matter of outgo, or places a charge on industry, can be answered with reference to one industry. From returns by railways to the board of trade it is possible to make up an aggregate for the United Kingdom showing the amount paid by the railway companies as compensation under the act, including payments to insurance companies and to funds under schemes approved by the chief registrar of friendly societies to cover liabilities under the acts. The tables given above relate to England and Wales only, while the following one covers Scotland and Ireland as well:

AMOUNT OF CHARGES PLACED UPON RAILWAY COMPANIES IN THE UNITED  
KINGDOM BY COMPENSATION ACTS, 1899 TO 1907.

[Source: Statistics of Compensation and of Proceedings under the Workmen's Compensation Acts and the  
Employers' Liability Act during the year 1907.]

Country.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.(a)
England and Wales.	\$474,386	\$617,111	\$648,456	\$610,736	\$639,069	\$692,926	\$736,920	\$795,415	\$964,667
Scotland .....	87,461	80,307	82,770	66,160	89,037	66,549	79,090	88,526	105,676
Ireland .....	16,532	13,222	17,865	24,634	28,610	29,652	26,615	29,413	42,708
Total .....	578,379	710,640	749,091	701,530	756,716	789,127	842,625	913,354	1,113,051

a Statistics for 1907 are subject to revision.

According to the board of trade returns as to the number of employees and their average weekly earnings, the amount paid out as above is approximately 14s. 3d. (\$3.47) per £100 (\$486.65), or 0.7125 per cent of the wages paid. This cost in 1904 and 1905 was about one-half of 1 per cent of the amount of the wages, and in 1908 was 0.725 per cent. Other computations show that of the total amount paid out by railways in compensation, only about 5 per cent was the



subject of proceedings in the courts. Whether or not the very considerable increase of cost for the later years is due to the coming into effect of the new law is not intimated in the report, though the fact that it requires payment for the second week's disability, whereas the old law provided that payments for disability should not begin until after the second week, would doubtless account for such increase in large measure, and perhaps entirely.<sup>(a)</sup>

The following table indicates something of the effect of such a change, though since it includes accidents causing less than one week's disability with those involving absence of 14 days and under, exact conclusions can not be drawn from it. This table shows the number of accidents occurring to employees of selected firms belonging to the Iron Trades Employers' Insurance Association, divided so as to show those involving absence of 14 days and less, and those involving absence of more than 14 days. The firms selected had an aggregate annual wage list of approximately £2,500,000 (\$12,166,250).

ACCIDENTS TO EMPLOYEES OF CERTAIN MEMBERS OF THE IRON TRADES EMPLOYERS' INSURANCE ASSOCIATION CAUSING ABSENCE OF 14 DAYS AND UNDER AND MORE THAN 14 DAYS.

[Source: Report of Departmental Committee Appointed to Inquire into the Law Relating to Compensation for Injuries to Workmen, 1904.]

Firm num- ber.	Acci- dents.	Accidents involving absence of—				Firm num- ber.	Acci- dents.	Accidents involving absence of—			
		14 days and under.		More than 14 days.				14 days and under.		More than 14 days.	
		Num- ber.	Per cent.	Num- ber.	Per cent.			Num- ber.	Per cent.	Num- ber.	Per cent.
1.....	85	49	58	36	42	9.....	108	53	49	55	51
2.....	77	38	49	39	51	10.....	1,608	1,072	63	626	37
3.....	29	10	34	19	66	11.....	44	34	77	10	23
4.....	48	29	60	19	40	12.....	889	577	65	312	35
5.....	56	23	41	33	59	13.....	966	739	77	227	23
6.....	87	35	40	52	60	Total	4,174	2,708	65	1,466	35
7.....	60	44	73	16	27						
8.....	27	5	19	22	81						

Other data furnished by the same association, which insures only engineering and shipbuilding employers, show for the first five years of the operation of the compensation act, the number of workmen, the amount of wages, the number and per cent of accidents, the number and per cent of claims, and the total and average amount of claims paid for each year. The object of the officer of the association in presenting the data was to show the increase, first in the number of possible claimants who availed themselves of the benefit of the act, and, secondly, the average increase of cost per claim. The company is a mutual one and pays no profits. The average charge on

<sup>a</sup> Statistics of operations for the year 1909, available since the above was in type, show the percentage of cost to have fallen for that year to 0.683.

wages for the administration of the fund for the five years was given as \$0.41½ per \$100 of wages.

The following table presents the principal facts given:

EXPERIENCE OF IRON TRADES EMPLOYERS' INSURANCE ASSOCIATION FOR FIVE YEARS, 1899 TO 1903.

[Source: Report of Departmental Committee Appointed to Inquire into the Law Relating to Compensation for Injuries to Workmen, 1904.]

Year.	Num-ber of work-men.	Total wages.	Accidents.		Claims.				Compensation.	
			Num-ber.	Per cent of work-men.	Total.	Per cent of acci-dents.	Per cent of work-men.	Num-ber al-lowed.	Total.	Average per claim allowed.
1899.....	206,000	\$59,857,950	12,247	5.9	3,277	26.75	1.5	2,815	\$97,014	\$34.47
1900.....	212,000	61,804,550	12,322	5.8	4,031	32.71	1.9	3,914	152,579	38.99
1901.....	202,000	58,884,650	11,236	5.6	4,090	36.40	2.0	3,920	159,266	40.62
1902.....	236,000	68,617,650	13,235	5.6	5,426	40.99	2.3	4,957	252,751	51.00
1903.....	248,000	72,428,120	13,663	5.4	5,747	42.06	2.4	5,569	267,400	48.02

The marine engine works of R. & W. Hawthorn, Leslie & Co. maintained a fund out of which compensation for accidents was paid not only to injured employees in conformity with the requirements of the compensation act, but to outside men as well, and for the first two weeks of disability as well as for disability continuing for less than two weeks. The following tables show the total wages paid, the total compensation paid, and the per cent the latter is of the former, for all workmen and for each class separately; also the amount and rate of compensation paid to inside workmen for the first two weeks' disability:

WAGES AND COMPENSATION FOR ACCIDENTS PAID TO EMPLOYEES OF MARINE ENGINE WORKS OF R. & W. HAWTHORN, LESLIE & CO., 1899 TO 1903.

[Source: Report of Departmental Committee Appointed to Inquire into the Law Relating to Compensation for Injuries to Workmen, 1904.]

Year.	All workmen.			Outside workmen.		
	Wages.	Compensation for accidents.		Wages.	Compensation for accidents.	
		Amount.	Per cent of wages.		Amount.	Per cent of wages.
1899.....	\$686,249	\$2,480	0.4	\$175,296	\$1,080	0.6
1900.....	559,944	1,614	.3	77,295	355	.5
1901.....	647,381	1,579	.2	88,561	305	.3
1902.....	574,909	2,925	.5	78,433	465	.6
1903.....	592,302	2,734	.5	116,587	541	.5
Total.....	3,060,785	11,332	.....	536,172	2,746	.....
Average.....	612,157	2,266	.4	107,234	549	.5

## WAGES AND COMPENSATION FOR ACCIDENTS PAID TO EMPLOYEES OF MARINE ENGINE WORKS OF R. &amp; W. HAWTHORN, LESLIE &amp; CO., 1899 TO 1903—Concluded.

Year.	Inside workmen.						
	Wages.	Compensation for accidents.		Compensation paid during first two weeks of disability.		Statutory compensation (compensation for first two weeks deducted).	
		Amount.	Per cent of wages.	Amount.	Per cent of total wages.	Amount.	Per cent of total wages.
1899.....	\$510,953	\$1,400	0.3	\$224	0.03	\$1,176	0.2
1900.....	482,650	1,258	.3	218	.04	1,040	.2
1901.....	558,820	1,274	.2	243	.04	1,031	.2
1902.....	496,476	2,460	.5	238	.04	2,222	.4
1903.....	475,715	2,193	.5	110	.02	2,083	.4
Total.....	2,524,614	8,585	.....	1,033	.....	7,552	.....
Average.....	504,923	1,717	.4	207	.03	1,510	.3

From this table it appears that outside workmen received on an average 24.2 per cent of the total compensation paid out during the five years, whereas they were paid but 17.5 per cent of the wages, a showing in favor of the works as maintained and supervised by the proprietors as compared with independent and uncontrolled working places. The compensation actually required to be paid by the compensation act—i. e., to inside workmen after a disability has continued for more than two weeks—called for an expenditure under this scheme of an amount equal to 0.25 per cent of the total wages, which is the nearest approach that can be made from this table to the cost to this plant of the compensation act of 1897.

The actual present amount of claims awarded is not the total cost of the act, since administration expenses are to be considered as well. These include the cost of preliminary and subsequent medical examinations, inspections, legal costs, and, in cases other than where a lump sum is paid in settlement, the maintenance of suitable arrangements for the payment of the weekly sums due beneficiaries under the act. Where insurance is taken out these costs devolve on the company, and one of the larger companies states that whereas, prior to the coming into force of the compensation act of 1897, their expenses were 29.8 per cent of the premiums received, they had advanced in 1904 to 37.8 per cent. The same company submitted data showing the increase in claims between the years 1901 and 1903 in six large and important trades, giving the percentages as follows: 48.00, 16.13, 32.20, 69.05, 8.72, and 74.00. This shows an increasing use of the law by possible claimants and also indicates the impossibility of determining for some time to come the definite ultimate cost of the law.

Though employers have the option of making lump-sum payments in commutation of weekly payments after such payments have continued for six months, no determination can be arrived at as yet as to the cumulative effect of the provisions as to permanent disability, since the number of such cases must necessarily increase with passing years. Nor can it be calculated to what extent employers will avail themselves of the commutation privilege or how far they will undertake to continue the weekly payments. In these respects the law is open to the charge of indefiniteness, so that neither employer nor employee can readily and accurately measure their rights and liabilities under it.

#### ACCIDENT INSURANCE RATES.

The liabilities and costs that are fixed by the legislation above considered devolve upon the employer alone, so far as the statutes themselves provide, though the provision as to schemes for contracting out permits arrangements by which the employees contribute to the funds from which compensation or other benefits are to be derived. Experience under the statutes and other accident data have established rates of employment or occupation risk in accordance with which insurance is offered by industrial companies, covering employees of certain classes at fixed rates, or all employees of an establishment at a blanket premium rate. Such rates must necessarily include operating costs and are therefore considerably in excess of the actual compensation cost, so far as payments to injured employees are concerned. On the recognized principle of a standardizing and distribution of the burden of risks by extensive cooperation, however, the employer finds it a matter of convenience to avail himself of the insurance offered by industrial companies.

That a large amount of such insurance is written for employers of all classes is shown by reports of factory inspectors, local agricultural societies, etc., in response to inquiries by a departmental committee appointed to consider the advisability of providing through the post-office for insurance under the compensation acts.<sup>(a)</sup> Since the liability is measured by the amount of wages paid, the basis for computing insurance is the annual wage roll of the employer. The majority of exceptions in the matter of carrying insurance are to be found among small employers where the smaller risks, both financial and on account of the limited operations, are influential to dissuade from the taking out of insurance. Then, too, the companies fix a minimum premium for the writing of a policy, which, in cases of very small

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<sup>a</sup> This committee felt unable to suggest for immediate adoption any scheme involving post-office action as principal or agent.

employers, is in excess of the actual pro rata cost of carrying insurance for their risks.

The following table of rates of premiums charged by one of the large insurance companies of England shows in the second column the scale in use under the compensation acts of 1897 and 1900. The last column, headed "Joint," covers in addition to the legal liability provided for by the lower rates the payment of half wages during the first fortnight.

PREMIUM RATES CHARGED BY A BRITISH COMPANY FOR INSURANCE UNDER THE WORKMEN'S COMPENSATION ACTS, 1897 AND 1900.

[Source: Report of Departmental Committee Appointed to Inquire into the Law Relating to Compensation for Injuries to Workmen, 1904.]

Occupation.	Premium rate per \$100 of wages.	
	Legal liability.	Joint.
Agricultural implement makers.....	\$0.45	\$0.75
Bakers:		
Without machinery.....	.25	.45
With machinery.....	.45	.75
Bedstead manufacturers.....	.45	.75
Black-lead and blacking factories.....	.50	.75
Boat builders:		
Without machinery.....	.45	.75
With machinery.....	.75	1.00
Boilermakers.....	.50	.75
Bolt and nut factories.....	.37½	.50
Bookbinders.....	.30	.45
Boot manufacturers.....	.30	.45
Bottle manufactures.....	.40	.57½
Box and packing-case makers:		
Without machinery.....	.50	.75
With machinery.....	1.00	1.37½
Boxmakers, paper and cigar.....	.45	.60
Brass works.....	.50	.75
Brewers.....	.50	.75
Brick works:		
Without machinery.....	.37½	.50
With machinery.....	ª .62½	ª .87½
Brush factory:		
Without woodworking machinery.....	.30	.50
With woodworking machinery.....	ª .50	ª .87½
Builders:		
Without woodworking or other machinery—		
In country places.....	.37½	.62½
Urban localities.....	.45	.75
With machinery.....	ª .62½	ª .87½
Butchers:		
Without machinery.....	.25	.75
With machinery.....	.50	.87½
Cabinetmakers:		
Without machinery.....	.45	.75
With machinery.....	ª .75	ª 1.12½
Calico printers.....	.25	.35
Carpenters:		
Without machinery.....	.45	.75
With machinery.....	ª .75	ª 1.00
Carpet manufacturers.....	.37½	.55½
Carters and haulers.....	.37½	.75
Cement factories:		
With quarrying.....	ª 1.00	ª .62½
Without quarrying.....	.50	.75
Chairmakers:		
Without machinery.....	.45	.75
With machinery.....	ª .75	ª 1.12½
Chemical manure works.....	.62½	.87½
Chocolate and cocoa manufacturers.....	.30	.45
Clock and watch manufacturers.....	.30	.45
Coach builders:		
Without machinery.....	.37½	.55
With machinery.....	ª .62½	ª .75
Confectioners, with machinery.....	.37½	.50
Contractors.....	(b)	(b)

ª And upward.

ª Special, according to nature of contract.

**PREMIUM RATES CHARGED BY A BRITISH COMPANY FOR INSURANCE UNDER THE  
WORKMEN'S COMPENSATION ACTS, 1897 AND 1900—Concluded.**

Occupation.	Premium rate per \$100 of wages.	
	Legal liability.	Joint.
Coopers:		
Without machinery.....	\$0.45	\$0.75
With machinery.....	<sup>a</sup> .75	<sup>a</sup> 1.25
Cotton spinning.....	.30	.40
Cotton weaving.....	.20	.35
Cutlery works.....	.45	.62½
Distillers.....	.45	.62½
Dye works.....	.25	.40
Electroplating and gilding.....	.37½	.50
File manufacturers.....	.45	.62½
Fire-clay works.....	<sup>a</sup> 1.25	<sup>a</sup> 1.50
Flax mills.....	.25	.37½
Floor-cloth works.....	.45	.62½
Flour mills.....	.30	.75
Gas works.....	.45	.55
Glass works.....	.50	.62½
Grocers:		
Retail.....	.17½	.45
Wholesale.....	.37½	.50
Hat manufacturers.....	.30	.37½
Hosiery manufacturers.....	.25	.37½
House decorators.....	.37½	.75
Iron founders:		
Light.....	.47½	.55
Heavy.....	<sup>a</sup> .87½	<sup>a</sup> 1.12½
Iron works, smelting and rolling.....	<sup>a</sup> .75	<sup>a</sup> 1.00
Jute spinners.....	.30	.40
Lace manufacturers.....	.25	.35
Laundries:		
Without machinery.....	<sup>a</sup> .37½	.50
With machinery.....	1.12½	1.25
Lime burners.....	<sup>a</sup> .62½	.87½
Locksmiths.....	.37½	.50
Nail manufacturers.....	.37½	.50
Needle manufacturers.....	.40	.50
Paper mills.....	.45	.62½
Pavers.....	.40	.55
Piano manufacturers:		
Without woodworking machinery.....	.37½	.50
With machinery.....	<sup>a</sup> .75	<sup>a</sup> 1.00
Pin manufacturers.....	.35	.50
Plasterers.....	.45	.75
Plumbers.....	.45	.75
Potters, without clay mining or quarrying.....	.30	.40
Printers.....	.30	.45
Quarrymen (according to depth of quarry and extent to which explosives are used).....	<sup>a</sup> .75	<sup>a</sup> 1.50
Railway-carriage makers.....	.50	.75
Riggers.....	2.50	3.50
Ropemakers:		
Wire.....	.75	1.00
Hemp.....	.45	.75
Sawmills.....	1.50	2.00
Shipbuilders (not repairers).....	1.00	1.25
Shippers and packers.....	.35	.50
Ship repairers.....	1.50	2.00
Shoddy manufacturers.....	.37½	.50
Silk manufacturers.....	.25	.37½
Slaters.....	.75	1.25
Soap manufacturers.....	.40	.55
Starch manufacturers.....	.50	.70
Stevedores.....	<sup>b</sup> 3.00 to 5.00	
Stone hewers, cutters, and sculptors:		
With machinery.....	.62½	.87½
Without machinery.....	.37½	.50
Sugar refiners.....	.37½	.50
Tanners.....	.50	.75
Tin-plate works.....	.45	.75
Tobacco manufacturers.....	.35	.50
Turners (wood).....	.75	1.00
Upholsterers (no cabinet making).....	.35	.50
Varnish works.....	.50	.75
Vinegar works.....	.40	.50
Wagon works:		
Without machinery.....	.45	.75
With machinery.....	<sup>a</sup> .75	<sup>a</sup> 1.25
Waterworks (not contract works).....	.37½	.50
Woolen mills.....	.17½	.35

<sup>a</sup> And upward.<sup>b</sup> Special quotations will be given.

Another table of rates furnished the same committee by a different company is as follows:

APPROXIMATE PREMIUM RATES FOR INSURANCE COVERING LIABILITY UNDER THE WORKMEN'S COMPENSATION ACT, 1897, THE EMPLOYERS' LIABILITY ACT, 1880, AND AT-COMMON LAW.

[Source: Report of Departmental Committee Appointed to Inquire into the Law Relating to Compensation for Injuries to Workmen, 1904.]

Occupation.	Premium rate per \$100 of wages.	Occupation.	Premium rate per \$100 of wages.
Engineers:		Builders:	
Light.....	\$0. 50	Small.....	\$0. 50
Heavy.....	1. 00	Large.....	1. 00
Shipbuilders.....	1. 25	Laundry proprietors.....	. 37½
Textile trades.....	\$0. 12½ to . 37½	Electrical supply companies.....	. 62½
Confectioners.....	. 25	Collieries.....	\$1. 25 to 2. 25
Cabinetmakers.....	1. 00	Painters and decorators.....	. 37½ to . 62½

A number of the accident insurance companies have formed an association, all members of which charge the same rates. One of these companies supplied to the Wisconsin bureau of labor the following table of rates for the leading industries, the charges covering the liability of employers under the compensation act of 1906 and all other forms of legal liability:

PREMIUM RATES CHARGED BY COMPANIES IN THE ACCIDENT OFFICES ASSOCIATION FOR INSURANCE COVERING LIABILITY UNDER THE WORKMEN'S COMPENSATION ACT OF 1906, THE EMPLOYERS' LIABILITY ACT, 1880, THE FATAL ACCIDENTS ACT, 1846, AND THE COMMON LAW.

[Source: Thirteenth Biennial Report, Wisconsin Bureau of Labor, p. 49.]

Occupation.	Premium rate per \$100 of wages.
Builders.....	From 75 cents to \$2, according to (a) height of building, (b) use of mechanically driven machinery on job.
Carpenters.....	75 cents, no woodworking machinery used; \$2, including woodworking machinery.
Painters.....	\$1 to \$2.50, according to the height of the building.
Sewer and road contractors...	62½ cents to \$2.50, according to the depth and whether blasting or tunneling requires to be done.
Quarries.....	\$2 to \$3, according to the class of stone or mineral.
Stone and slate dressing yards.	\$2.50.
Iron works.....	62½ cents to \$2.50, according to the weight of the heaviest casting manufactured.
Carting contractors and carmen.	\$1.
Printers.....	32½ cents.
Farmers.....	50 cents.
Colliers.....	From \$3.50 to \$6, according to class of mine.
Engineers.....	The rates are too varied to be given in detail, but they run from 50 cents to \$5.



These rates can not be taken as presenting the final answer to the question raised on an earlier page as to the effect on cost of the enlarged liability fixed by the new law. The companies claim that they are themselves without adequate data for determining the proper rates of premium charges and must in self-defense fix them sufficiently high at first, subject to revision on the acquisition of further material on which to base their computations. This will be but a repetition of the course followed at the time of the inauguration of the act of 1897, the rates for the first year of its operations being sharply reduced after a year of experience. The actual changes under the earlier act are set forth in the following table reproduced from the report of the Wisconsin labor bureau on the subject:

**PREMIUM RATES CHARGED BY AN ASSOCIATION OF OFFICES FOR INSURANCE UNDER THE WORKMEN'S COMPENSATION ACT OF 1897 IN 1898 AND 1899.**

[Source: Thirteenth Biennial Report, Wisconsin Bureau of Labor, p. 47.]

Occupation.	Premium rate per \$100 of wages.	
	1898.	1899.
Builders (general).....	\$1.88	\$1.25
Builders (under 50 feet).....	1.25	.83
Contractors (docks, railways, etc., but no blasting, diving, pile driving, tunneling, or erection of heavy ironwork).....	2.50	1.67
Contractors (including the foregoing).....	3.50	2.38
Stevedores.....	3.50	2.38
Quarries.....	2.25	1.50
Engineers.....	1.50	1.00
Iron works, smelting.....	1.50	1.00
Textiles.....	.50	.33

In the table below are given the premium rates charged in various important occupations and industries by a leading English company immediately following the going into effect of the workmen's compensation act of 1897. The rates cover the full liability under the workmen's compensation act, 1897, the employers' liability act, 1880, and at common law. Special discounts from the rates given below varying from 5 per cent to 15 per cent were allowed to employers with large pay rolls—from £10,000 (\$48,665) upward per annum—and to recognized associations of employers in the same trade, where the wages on which premium was paid exceeded £100,000 (\$486,650).

# CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1549

## PREMIUM RATES CHARGED BY A LEADING ENGLISH COMPANY IMMEDIATELY FOLLOWING THE WORKMEN'S COMPENSATION ACT OF 1897.

[Source: Rate sheet of company.]

Trades.	Rates for United Kingdom (excluding Scotland).		Rates for Scotland.	
	Per £100 of wages paid.	Per \$100 of wages paid.	Per £100 of wages paid.	Per \$100 of wages paid.
	£. s. d.		£. s. d.	
Aerated-water manufacturers.....	1 15 0	\$1.75	1 17 6	\$1.875
Bakers, biscuit makers, and confectioners.....	1 2 6	1.125	1 4 0	1.20
Bleachers.....	10 0	.50	11 0	.55
Boat builders:				
No circular saws.....	18 0	.90	19 0	.95
With circular saws.....	1 12 6	1.625	1 13 6	1.675
Bookbinders.....	15 0	.75	16 0	.80
Boot and shoe manufacturers.....	15 0	.75	16 0	.80
Brewers.....	1 15 0	1.75	1 16 6	1.825
Brickmakers with machinery.....	1 10 0	1.50	1 11 6	1.575
Builders and building trades.....	1 17 6	1.875	2 5 0	2.25
Butchers.....	2 0 0	2.00	2 2 0	2.10
Cabinetmakers, carpenters, and joiners:				
No circular saws.....	1 0 0	1.00	1 1 0	1.05
With circular saws.....	1 12 6	1.625	1 13 6	1.675
Calico printers.....	10 0	.50	11 0	.55
Carpet manufacturers (wool only).....	15 0	.75	15 6	.775
Chain manufacturers.....	1 10 0	1.50	1 11 6	1.575
Chemical works.....	1 10 0	1.50	1 11 0	1.55
Coal merchants (with wharf).....	2 0 0	2.00	2 2 0	2.10
Cooperative societies.....	10 0	.50	11 0	.55
Corn millers.....	1 10 0	1.50	1 11 6	1.575
Corporation service.....	17 6	.875	18 6	.925
Cotton, flax, and silk spinners and weavers.....	10 0	.50	10 6	.525
Curriers.....	18 0	.90	19 0	.95
Cutlery works.....	1 10 0	1.50	1 11 6	1.575
Cycle manufacturers.....	1 0 0	1.00	1 1 0	1.05
Distillers.....	1 10 0	1.50	1 11 6	1.575
Dock service:				
No loading or unloading.....	2 0 0	2.00	2 2 0	2.10
Loading and unloading.....	3 0 0	3.00	3 3 6	3.175
Drysalterers.....	1 0 0	1.00	1 1 0	1.05
Dyers.....	10 0	.50	11 0	.55
Electroplaters.....	15 0	.75	16 0	.80
Engineers:				
Shop only.....	1 10 0	1.50	1 11 0	1.55
Ordinary outside work.....	2 5 0	2.25	2 6 6	2.325
Bridge building, gasometer.....	3 10 0	3.50	3 12 6	3.625
Farmers.....	15 0	.75	17 0	.85
Floor cloth and linoleum manufacturers.....	1 5 0	1.25	1 6 6	1.325
Gas works.....	1 5 0	1.25	1 6 0	1.30
Glass manufacturers.....	17 0	.85	18 6	.925
Grocers and provision merchants.....	1 0 0	1.00	1 1 0	1.05
Gunmakers (no explosion risk).....	1 0 0	1.00	1 1 0	1.05
Ink manufacturers.....	17 6	.875	18 6	.925
Iron works:				
Smelting only.....	1 10 0	1.50	1 11 6	1.575
Smelting, puddling, and rolling.....	1 17 6	1.875	2 0 0	2.00
Jewelers.....	15 0	.75	16 0	.80
Jute spinners.....	15 0	.75	15 6	.775
Lace manufacturers.....	10 0	.50	10 6	.525
Lamp manufacturers.....	15 0	.75	16 0	.80
Laundry proprietors (with machinery).....	1 10 0	1.50	1 11 6	1.575
Lightermen (including loading of barges).....	2 10 0	2.50	2 12 6	2.625
Locksmiths.....	17 6	.875	18 6	.925
Machinery merchants.....	1 5 0	1.25	1 7 0	1.35
Maltsters.....	1 5 0	1.25	1 6 6	1.325
Manure manufacturers and bone crushers.....	1 10 0	1.50	1 12 6	1.625
Nail makers.....	1 5 0	1.25	1 6 6	1.325
Nut and bolt manufacturers.....	1 0 0	1.00	1 1 0	1.05
Oil mills and oil cake manufacturers.....	1 10 0	1.50	1 11 6	1.575
Paint and color manufacturers.....	1 0 0	1.00	1 1 6	1.075
Painters, plasterers, and decorators:				
Inside.....	1 15 0	1.75	2 2 6	2.125
Outside.....	1 17 6	1.875	2 5 0	2.25
Paper manufacturers.....	1 5 0	1.25	1 6 6	1.325
Plumbers.....	1 1 6	1.075	2 5 0	2.25
Printers.....	15 0	.75	16 0	.80
Provision preservers.....	1 0 0	1.00	1 1 0	1.05

PREMIUM RATES CHARGED BY A LEADING ENGLISH COMPANY IMMEDIATELY FOLLOWING THE WORKMEN'S COMPENSATION ACT OF 1897—Concluded.

Trades.	Rates for United Kingdom (excluding Scotland).		Rates for Scotland.	
	Per £100 of wages paid.	Per \$100 of wages paid.	Per £100 of wages paid.	Per \$100 of wages paid.
Quarries and mines:				
Limestone, granite, ironstone, and all other rocks and minerals not specially rated .....	£. 2 5 0	\$2.25	£. 2 10 0	\$2.50
Slate.....	1 15 0	1.75	2 0 0	2.00
Fire clay.....	1 5 0	1.25	1 10 0	1.50
Railway and general contractors:				
Excluding the erection of ironwork, tunnelling, and blasting.....	2 10 0	2.50	2 13 0	2.65
Including the erection of ironwork, tunnelling, and blasting.....	3 10 0	3.50	3 14 6	3.725
Rice mills.....	1 5 0	1.25	1 6 6	1.325
Rope manufacturers.....	1 10 0	1.50	1 12 0	1.60
Saw mills.....	3 0 0	3.00	3 2 0	3.10
Shipbuilders (not repairers).....	1 17 6	1.875	2 5 0	2.25
Ship repairers and graving docks.....	2 5 0	2.25	2 7 6	2.375
Shoddy and mungo manufacturers and woolen rag merchants.....	1 0 0	1.00	1 1 0	1.05
Soap manufacturers.....	1 0 0	1.00	1 1 6	1.075
Stationers.....	15 0	.75	16 0	.80
Steel pen makers.....	15 0	.75	16 0	.80
Steel rolling mills.....	1 10 0	1.50	1 11 0	1.55
Steel works (light only).....	1 5 0	1.25	1 6 0	1.30
Stevedores (excepting Liverpool and Clyde).....	3 10 0	3.50	4 0 0	4.00
Straw hat makers.....	10 0	.50	10 6	.525
Sugar refiners.....	1 10 0	1.50	1 11 6	1.575
Surgical instrument makers.....	1 0 0	1.00	1 1 0	1.05
Tailors.....	10 0	.50	10 6	.525
Tanners.....	1 5 0	1.25	1 6 0	1.30
Timber yards (excluding circular saws).....	1 15 0	1.75	1 17 0	1.85
Tobacco manufacturers.....	15 0	.75	16 0	.80
Tool manufacturers.....	1 5 0	1.25	1 6 6	1.325
Tweed manufacturers.....	10 0	.50	10 6	.525
Type foundries.....	17 6	.875	18 6	.925
Varnish and vinegar manufacturers.....	1 5 0	1.25	1 6 6	1.325
Warehousemen (Manchester goods).....	10 0	.50	11 0	.55
Wool spinners and weavers.....	10 0	.50	10 6	.525
Zinc works.....	1 5 0	1.25	1 6 0	1.30

FRIENDLY SOCIETIES.

HISTORY.

The friendly societies of to-day may be classed as the modern development of forms of mutual self-help and social organization which originated in a period antedating accurate history. With the trade unions, they are the expression of the workman's efforts to provide for his own betterment, social and economic, as he conceived it, during the years of industrial change that resulted in what is commonly known as the factory system. Prior to this there were in existence in England well-developed and powerful organizations known as guilds which represented the traders and artificers in various lines of productive and distributive undertakings; there were also frith guilds charged with the preservation of the public peace, and religious guilds which looked after the needs of the poor among their members or in the community in which such guilds were situated. To these, students of the subject have traced the origin of both the modern trade union and the friendly society. "Both received a new birth at the

period of large industries; both owe their existence to the same powerful reaction of the working classes against the deterioration of their material condition; both are among the most conspicuous examples of English self-help."

The objects which the friendly societies now pursue separately were united in the guilds of the fourteenth, fifteenth, and earlier centuries. The guild form of association underwent change consequent upon religious and political changes in the sixteenth century, when the landed property of the guilds was confiscated (acts of 1545 and 1547); and within a hundred years the transition seems to have been practically accomplished, the last dissolution of a guild being probably one reported in 1650, while friendly societies are recorded as dating from 1666 and 1687, with no doubt many others coming into existence during this second half of the seventeenth century. The society organized in 1687 was still in existence in 1906, as were others dating from 1703 and 1708. The claimant of the longest record is a Scottish society, said to have been established in 1555. The Report of the Chief Registrar of Friendly Societies for 1906 reported 229 centenarian friendly societies as in existence on December 31, 1905.

Though the guild was in effect legislated out of existence by the acts referred to above, it had enjoyed several centuries of legal recognition, the rules of trade guilds having been certified by the commissary of the Bishop of London as early as 1354. It was not until 1773 that the attention of Parliament was turned to the necessity of legislation for the growing number of friendly societies, and twenty years elapsed before the first act on the subject was passed. Supplementary acts were passed from time to time, and (omitting mention of prior reports and enactments) after an investigation by a committee of the House of Commons, all laws relating to friendly societies were consolidated by an act of 1855. A royal commission which sat from 1870 to 1874 recommended further changes in the law, and those recommendations were the basis of the act of 1875, which practically forms the charter of present operations, though that law is modified and improved in some respects by the consolidation act of 1896.

The act of 1793 was "for the encouragement and relief of friendly societies," which were defined as "societies for raising, by voluntary subscriptions of the members, separate funds for their mutual relief and maintenance in sickness, old age, and infirmity." They were authorized to make such proper and wholesome rules, orders, and regulations as the majority should approve, if not repugnant to the laws of the realm. To secure the latter point, the rules proposed were to be submitted in writing to the justices of the quarter sessions, who were to examine them, to annul those found inapt, and to confirm the rest. Societies complying with the provisions of the act were to receive certain benefits in the way of exemptions from stamp

duties, the protection of funds, etc. In 1819 an act was passed requiring the tables of contributions and benefits to be confirmed by the justices, after having been approved by at least two persons known to be "professional actuaries or persons skilled in calculation." In effect this left the tables to the scrutiny of such persons as the village schoolmaster, and even such restrictions as were thus afforded were removed by an act of 1829, which also made the confirmation of submitted rules obligatory on the justices if a barrister had certified that they conformed "to law and to the provisions of this act." The justices were to satisfy themselves that the tables might be adopted with safety. This act introduced a form of quinquennial returns of sickness and mortality in a form prescribed by the act.

The provision directing justices to satisfy themselves as to the tables was repealed in 1834, and societies were left free to choose their own rates if they could satisfy the barrister examining the rules that these were "calculated to carry into effect the intention of the parties framing them," and were "in conformity to law." The objects for which societies might be formed under this act were limited only by the possibility of calculating by way of average the probabilities to be guarded against; while any other purpose not illegal might be adopted, if the contributions therefor were kept distinct.

A centralizing step was taken in 1846, when the office of the registrar of friendly societies was created, and the rules of societies, instead of being filed with the clerk of the peace of each county, were to be filed in the new office. Actuarial certificates were a prerequisite to the registration of societies. The insurance of children under 6 years of age was prohibited, and savings investment features were added. Quinquennial reports of assets and liabilities were required, but before this provision became effective it was eliminated from the law by an act of 1850. Without tracing further the legislative steps by which the present situation has been reached, enough has been said to show that strong influences have worked both for and against the various propositions that are now incorporated in the law of friendly societies, the principal of which have been mentioned.

There is at present a chief registrar with an assistant for each of the countries of England, Scotland, and Ireland. The registry office has authority to prepare and furnish model forms of accounts, balance sheets, and valuations; to collect and publish statistics, and to circulate, either generally or for any particular district, information as to statistics of life and sickness, and the application of such facts to the business of friendly societies; and in general to furnish information of value to persons interested in organizing societies eligible for registration. Quinquennial reports and valuations of all registered societies are required.

Five classes of societies exist under the provisions of the Friendly Societies Act: Friendly societies, cattle insurance societies, benevolent societies, workmen's clubs, and specially organized societies. Of these only the first is entitled to consideration from the standpoint of industrial insurance.

#### PRESIDENT PURPOSE AND SCOPE.

Friendly societies are in essence mutual insurance societies, restricted by the law regulating them to five purposes, which are in brief:

1. Relief in case of sickness or other infirmity and in old age, and the care of widows and orphans of members.
2. Birth and death benefits.
3. Travel benefits while in search of employment, and benefits when in distress and in case of shipwreck or loss of boats or nets.
4. Endowments.
5. Insurance against loss of tools by fire, in an amount not exceeding £15 (\$73).

Few societies offer all these benefits, the majority providing only for payments in cases of sickness or death.

Any society wishing to register must have at least seven members, who, with the secretary, must sign an application, submit the rules, and indicate the person or persons authorized to sue or be sued on behalf of the society. The rules must set forth the name of the society, its place of business, its object, its mode of holding meetings, altering rules, keeping and auditing accounts, making returns and inspecting books, and its provisions for the investment of funds, the settlement of disputes, and the appointment and removal of officers. Alterations in rules are not effective until registered. If annuities are assured, the tables must be certified to by the actuary of the national debt, or by an actuary of five years' standing. Dividing societies, i. e., those in which accumulated funds are periodically distributed among the members, may be registered if the rules show a distinct provision for meeting all existing claims before the division takes place. Refusal to register may be referred by appeal to the chief registrar, and further to the high court of justice, or, in Scotland, to the court of session.

Details required to be set forth in the rules, besides those indicated above, are the mode of admitting members and the terms on which they can become entitled to the benefits offered by the society, the fines and forfeitures imposable and the consequences of nonpayment, and the provisions as to voting, which may restrict that right to certain classes of members. Since the whole organization is voluntary, no heavier penalty can be enforced than would be involved in the loss of rights to benefits or membership. Fines can not be arbitrary, but



must be fixed and definite. The investment of funds must be as provided for in the rules, except that deposits may be made in a savings bank or with the commissioners for the reduction of the national debt. No investment can be made on personal security except by way of loans on the society's policies or a loan from a special loan fund.

Model rules have been prepared by the registry office, which any society may use by the simple addition of such details as are desired. No requirement is imposed as to the actuarial correctness of the scheme of any society, each one being left free to adopt or reject the well-digested tables that express the experience of many years of sick-relief and death benefits. They are equally independent in the management of their affairs, the registrar having no authority to interfere except on petition of the members, even though the reports show present insolvency and its inevitable continuance. The quinquennial valuation ordered by law may be performed by any person whom the society may employ who is willing to undertake the work, and the society is entirely free to act on or reject any advice or conclusions drawn from the work of the valuer.

Registration is entirely optional, and is said to be availed of in practice by hardly more than a moiety of existing societies. It involves certain obligations, as having a registered office, the appointment of trustees, the audit of accounts, making annual returns to the registrar, making a quinquennial valuation of assets and liabilities, and keeping copies of balance sheets and valuations on view at the registered office. The privileges attendant on registration are exemption from the penalties of the corresponding societies act (relating to unlawful societies and seditious meetings); exemption from stamp duty on papers and documents; the transfer of stock standing in the name of trustees who are absent, deceased, bankrupt, or otherwise disqualified, by an order of the chief registrar; priority of claims against the estate of any deceased or bankrupt officer, or of one against whom an execution or other process is issued, for the recovery of any property of the society which may be in the hands of such official at the time; power to admit as members minors over 1 year of age; and power to subscribe to hospitals or charitable or provident institutions for securing benefits to members. Exemption from income tax is also allowed unless annuities in excess of £30 (\$146) are insured. Money invested by a registered society with the national-debt commissioners receives a fixed rate of interest, independent of the fluctuations in the value of stocks; such companies are also free from the usual restrictions as to the amount of money that may be deposited in a savings bank or post-office savings bank. In discharging a mortgage no reconveyance is necessary, the mere indorsement of a receipt thereon being sufficient. Certificates of birth and of death



of members or insured persons can be obtained at a reduced fee. The charges of public auditors and valuers are also fixed at a lower rate for registered societies than for other bodies.

Some of these privileges amount to actual state assistance, while others give them a pecuniary advantage by enabling them to transact business at a less expensive rate than is possible for citizens generally. The rate of interest payable on investments with the national-debt commissioners has been fixed at different amounts from time to time, ranging from 2 to 3 per cent. This has at times exceeded the amount that the Government was able to earn with the investment. The rate under the act of 1896 is 2.75 per cent.

Societies may be organized with a central body and any number of branches, a branch being any number of members, under the control of the central body and bound to contribute thereto, but having a separate fund administered by themselves. The list of branches must be kept accurate by reports to the registrar. Rules of branches may be registered and changed in the same manner as the rules of societies.

The registrar has the power to appoint, with the consent of the Treasury Department, inspectors to examine into the affairs of a society and to call special meetings on application of a certain number of members. This power does not extend to the case of branch societies, however, without the consent of the central body. Nor can a branch society exercise the power to change its name, to amalgamate with other societies, to convert itself into a company, or to transfer its obligations to an existing company (all of which independent societies may do), though it may secede.

Members of societies have a right to be supplied with copies of the annual returns, to inspect the books, to insure for benefits within the limits prescribed by the rules, and to serve in the militia or volunteers without forfeiting benefits; they are also entitled to the accumulation of surplus contributions at interest, where the rules permit. No society registering under the Friendly Societies Act can contract for an annuity of more than £52 (\$253), (£50 (\$243) prior to the amendment of 1908), nor for a lump-sum payment of more than £300 (\$1,460), (£200 (\$973) prior to the amendment of 1908). As to insuring children, it may be noted that not more than £6 (\$29) can be carried on the life of a child under 5 years of age, and not more than £10 (\$49) on one under 10 years, whether carried in one or more societies. Penalties lie against both society and parent for paying or receiving any sum in excess of these amounts. The amending act of 1908 removes the prior existing age limit of 1 year, and makes children eligible to benefits from birth.

Societies may be dissolved or may amalgamate with other societies of like purpose or character with the consent of five-sixths in value of

the members, including honorary members, and with the consent of all those receiving any relief, annuity, or benefit, unless the claims of such persons are duly satisfied, or adequate provision has been made for that purpose. Dissolution of an insolvent society may be effected by the registrar on the application of one-fifth of the members (or of a smaller part if there are 1,000 or more members). He may also direct how the funds and property of the society are to be divided. Registry may be canceled at the request of any society, or on proof of fraud or mistake in procuring the registry, or registration may be temporarily suspended. Where a society wishes to become a branch of another society a modified form of cancellation is used.

Friendly societies, being affected in part by tradition, and being in part the expression of immediate local needs and conditions, present a very considerable diversity both in their objects and in the methods adopted for attaining them. Definable briefly as mutual insurance organizations, they exhibit a surprising variety of forms, the royal commission of 1874 having enumerated seventeen classes. The characteristics of the principal groups are noted below.

#### THE VILLAGE CLUB.

Oldest and least complex in its workings is the village club, providing only "sick pay and burial money." Frequently no difference is made in the amounts of dues to be paid by older and by younger members, and as the active members grow old the outgo increases until the younger men refuse to join, the funds diminish and are finally distributed, and the club is dissolved, leaving its members unprotected. The next generation repeats the process, and, to quote the language of a chief registrar, "so the vicious succession is kept up, each club in its turn lasting out its one generation of members." In some cases graduated scales of contribution and other safeguards have contributed to the success and stability of village clubs, the disadvantages of small membership and the subjection of the whole group to identical economic adversities being largely compensated for by the thorough mutual acquaintanceship of the members and the corresponding reduction of expense of administration and of danger of improper demands for relief.

#### TOWN CLUBS.

In the larger towns these clubs may take on a more exclusive form, being administered with perhaps a greater degree of care and discretion, but not making the general provision for insurance that the spirit of the friendly society would indicate. The society may by its rules limit the number of members, one established in 1809 fixing the maximum at 100, later admitting 130, but in fact having after more than sixty years only 50 members. The disposition to restrict member-

ship and a narrow spirit of corporation are said to characterize this class of societies and to interfere with their usefulness. They seem to be unable to meet the stress of competition with the so-called affiliated orders.

#### COUNTY SOCIETIES.

Much the same may be said of the county societies, which have undertaken to cover larger areas and avoid the dangers of limited groups subject to identical economic changes. These are frequently patronized by the clergy and gentry, the control being largely in their hands. They commonly adopt a sound actuarial basis, but do not appeal so much to the community at large as the more democratic and less expensive, even if less trustworthy, local clubs. "The villagers have the pardonable weakness of preferring to do things in their own way to having things done for them by other people, even in a better way."

The "Dunmow Friendly Society for Dunmow and the Neighbourhood, in the County of Essex" may be cited as an illustration of the localized society. It was founded in 1832 by the vicar of Great Dunmow, and has continuously had the patronage of honorary members, including the clergy and gentry. "It has been stated by a government official that the success of the society is due in no small measure to honorary management, such managers being unbiased and free from all motives ulterior. \* \* \* The managers are representative of the various districts in which the society is working and they take a personal interest in the members."<sup>a</sup> It is the announced purpose of the society to furnish to the industrious and provident among the laboring classes an opportunity of making for themselves a secure provision against sickness and infirmity. The monthly payments are calculated according to the age of the members at the time of their admission, and in proportion to the benefits for which they insure. Monthly contributions are to be paid continuously, in sickness or health, until the age of 65 is reached, when payments cease and the member becomes the recipient of a pension. Sickness and death benefits are also provided. The distinctive features announced are: (1) Fifty-two weeks' full pay in sickness; (2) half pay during remainder of sickness; (3) a sum payable at death; (4) a pension at 65 years of age. All members receive all benefits, without option. A juvenile branch has been in existence since 1896, admitting members between 7 and 14 years of age. Entrants to the society proper must be males between the ages of 15 and 50 years, in good health and not engaged in any occupation injurious to health. Females were formerly admitted, but none have been received for a number of years (only 4 surviving to 1908), the management declaring that the

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<sup>a</sup> Seventy-Sixth Annual Report.

varying interests of the sexes could be better met by separate institutions.

Honorary members are persons who have contributed one sum of not less than £5 (\$24.33) or annual subscriptions of not less than 10s. (\$2.43), but so long as they remain honorary members or have any part in the management they can have no beneficial interest in the funds of the society. The officers are elected at the annual general meeting of the honorary members. Trustees manage all funds, and arbitrators (none of whom can have any beneficial interest in the funds) hear and determine all matters of dispute as to rights or claims of members.

Members may receive sick or death benefits only after twelve months' membership, and both are forfeited by allowing dues to fall more than two months in arrears. The amounts of such benefits are determined by the choice of the members on the basis of the following table of rates:

TABLE OF MONTHLY CONTRIBUTIONS TO THE DUNMOW FRIENDLY SOCIETY TO SECURE 28. (49 CENTS) PER WEEK SICK PAY, 18. (24 CENTS) PER WEEK ANNUITY AFTER 65, AND £1 (\$4.87) AT DEATH.

[Source: Rules of the Friendly Society for Dunmow, Essex.]

Age next birthday.	Amount payable per calendar month.	Age next birthday.	Amount payable per calendar month.	Age next birthday.	Amount payable per calendar month.	Age next birthday.	Amount payable per calendar month.
15	\$0.101	24	\$0.132	33	\$0.193	42	\$0.289
16	.107	25	.137	34	.203	43	.304
17	.107	26	.142	35	.213	44	.324
18	.112	27	.147	36	.223	45	.350
19	.112	28	.152	37	.233	46	.375
20	.112	29	.157	38	.243	47	.400
21	.117	30	.162	39	.253	48	.426
22	.117	31	.172	40	.264	49	.451
23	.122	32	.183	41	.274	50	.487

Insurance may be obtained at the above rates for any sum up to a sick benefit of 16s. (\$3.89) weekly. Persons taking a lower benefit than 12s. (\$2.92) per week must pay an additional sum of 1s. (24 cents) per quarter to a medical fund, in return for which free medical and surgical attendance and operations are provided, including needed appliances. Insurance may be increased or decreased at any time. Management is provided for by a separate contribution, based on the amount of the sick benefit insured for, being 1½d. (3 cents) per month if the insurance is for from 2s. to 8s. (49 cents to \$1.95) per week, 3d. (6 cents) per month if the amount is from 10s. to 12s. (\$2.43 to \$2.92) per week, and 5d. (10 cents) per month where the amount is from 14s. to 16s. (\$3.41 to \$3.89) per week.

In 1875, soon after the passing of the Friendly Societies Act, the condition of the society was investigated by an actuary at the request of the management, with the result of disclosing a large deficit.

Prompt action was taken to correct the situation, and in fifteen years the deficit was changed into a surplus, chiefly by investing in other funds than government securities and thus securing advanced rates of interest.

The first annual meeting of the society was held in October, 1832, and showed 164 members, contributions during the year to the amount of £129 (\$628), sick benefits paid, 12s. (\$2.92), and accumulated capital, £174 (\$847). The following table shows the movement as to these items for each decade, 1842 to 1902:

NUMBER OF MEMBERS AND PRINCIPAL FINANCIAL OPERATIONS OF THE DUNMOW FRIENDLY SOCIETY, BY DECADES, 1842 TO 1902.

[Source: Notes on the Work and Progress of the Dunmow Friendly Society, 1907.]

Year.	Number of members.	Contributions.	Sick pay.	Pensions paid.	Accumulated capital.
1842.....	737	\$3,664	\$1,747	.....	\$11,577
1852.....	891	4,190	3,591	.....	34,061
1862.....	1,032	4,429	2,706	\$49	66,374
1872.....	1,133	5,037	3,105	613	110,012
1882.....	1,069	4,959	2,857	3,343	170,328
1892.....	1,000	4,429	3,436	8,760	187,652
1902.....	986	4,472	2,414	8,064	183,744

Following is a showing of the payments by this society for old age and for sickness for a period of ten years, 1898 to 1907:

SUPERANNUATION AND SICK BENEFITS PAID BY THE DUNMOW FRIENDLY SOCIETY, 1898 TO 1907.

[Source: Seventy-sixth report of the Dunmow Friendly Society, 1908.]

Year.	Superannuation benefits.		Sick benefits.		Year.	Superannuation benefits.		Sick benefits.	
	Number of recipients.	Amount paid.	Number of recipients.	Amount paid.		Number of recipients.	Amount paid.	Number of recipients.	Amount paid.
1898.....	162	\$8,632	184	\$2,411	1903.....	152	\$8,125	155	\$1,915
1899.....	166	8,652	194	2,575	1904.....	150	7,872	167	1,930
1900.....	165	8,826	204	2,366	1905.....	151	7,718	179	2,309
1901.....	167	8,706	138	1,821	1906.....	149	7,600	161	2,456
1902.....	156	8,068	189	2,415	1907.....	147	7,874	197	2,665

This table shows the operations of these two important classes of funds under what may be considered as fairly stable conditions. The age of the society and its only slightly fluctuating body of members, varying little from 1,000 in number, form conditions under which a fairly settled and uniform status might reasonably be expected, and such is the testimony of the above table. For the two years for which exact comparisons can be made it appears that in 1902, 15.8 per cent of the members were pensioners and 19.2 per cent were sick; while in 1907, 15.1 per cent were pensioners and 20.2

per cent were sick. Of the membership in 1907, 4 were females, 626 agricultural laborers, and 344 servants and artisans. The juvenile branch comprised 55 members. Thirty ordinary members were admitted during the year and 5 were transferred from the juvenile branch, while 18 died and a like number left the society. Fifteen entrants were enrolled in the juvenile branch.

Following is a statement of the receipts and expenditures for 1907, and a statement of the condition of the funds at the close of the year.

INCOME AND EXPENDITURES OF THE DUNMOW FRIENDLY SOCIETY, 1907.

[Source: Seventy-sixth report of the Dunmow Friendly Society, 1908.]

Receipts.		Expenditures.	
BENEFIT FUNDS.		BENEFIT FUNDS.	
Contributions, ordinary members.....	\$4,892	Sickness, full pay, ordinary members.....	\$2,081
Contributions, juvenile members.....	63	Sickness, half pay, ordinary members.....	572
Medical fund.....	682	Sickness, juvenile members.....	12
Fines.....	21	Pensions.....	7,874
Interest.....	6,903	Death benefits.....	382
		Medical and surgical aid.....	755
Total.....	12,561	Total.....	11,676
Benefit funds, Jan. 1, 1907.....	188,451	Benefit funds, Dec. 31, 1907.....	189,336
Total.....	201,012	Total.....	201,012
MANAGEMENT FUND.		MANAGEMENT FUND.	
Honorary members.....	344	Salaries.....	495
Ordinary members.....	455	Rent, fuel, etc.....	36
Juvenile members.....	13	Printing, postage, and incidentals.....	119
Entrance, etc., fees.....	9	Auditor's fee.....	51
Interest.....	8		
Total.....	829	Total.....	701
Management fund, Jan. 1, 1907.....	292	Management fund, Dec. 31, 1907.....	420
Total.....	1,121	Total.....	1,121

DIVIDING SOCIETIES.

Another class of societies, known as "dividing societies" or "sharing-out clubs," also called "slate clubs," "tontines," etc., undertakes to do at fixed periods what the old village clubs do at the termination of their existence. These are of a local character, and partake in a measure of the nature of a savings institution as well as affording insurance. Sick benefits and burial expenses are provided from a fund made up from entrance fees and subscriptions or dues, and any surplus remaining at the close of the year is divided among the members; or the period may be a longer one, as in the so-called "seven-year clubs;" or again there may be only a partial distribution, a certain part of the surplus going to the formation of a reserve fund, when the institution may become permanent, though retaining the feature of an annual or otherwise periodical division of a portion of the accumulated funds.

The advantage of a club of this sort is that the distribution of the surplus leads the members to make larger payments than would be the case where only less prompt returns are to be anticipated, thus mak-



ing of the club a sort of savings bank—a condition that especially recommends itself to groups of migratory laborers, as on dock or railway construction, where the association and local residence are necessarily only transitory. The insurance is obviously of only a temporary nature and no old-age benefits can be expected from such an arrangement. Indeed as any club runs on from year to year it is generally found that older men predominate, with their greater liability to sickness, slower recovery, and increasing death rate, and that younger men stay out to avoid what they feel to be an undue share of the burdens. Or they may remain in and restrict the benefits in cases of prolonged sickness, advancing a sum to the beneficiary from his anticipated death benefit, and thereafter excluding him from the club. In either case, the resort of the aged is to “go on the rates” and end their days in the workhouse, so that it is obvious that such clubs come considerably short of a full accomplishment of the ends attained by other forms of friendly societies. There is no uncertainty in the matter, however, and members of societies of this sort are fully aware of the necessity of securing protection for old age in some other way, if it is to be had at all.

Purely dividing societies afford the simplest form of insurance, as the slate is wiped clean at each period of distribution, and no burdens run over from year to year. Calculations of probabilities and the auditing of accounts are therefore eliminated. In some of the permanent societies the idea of insurance is secondary to that of banking, the receipt of savings deposits and the advancing of loans to members being the major part of the business.

The features of the various societies and the variety of their combination present a wide range of organization and purpose, and to attempt to illustrate all would be out of the question. An interesting example of the dividing society is found in the New Tabernacle Sick and Provident Society, of the county of London. This society was established in 1891, and admits both sexes, married women excepted. Its objects are the assistance of its members in sickness, provision of funeral benefit at the death of a member or member's wife, and the relief of members in distressed circumstances. The age limits for admission, as stated in the rules, are 15 and 40 years, though the annual report for 1908 gives 30 years as the maximum age. Freedom from constitutional disease and a declaration of sober and temperate habits are required. Female members who subsequently marry are entitled to accrued benefits until the end of the current year, after which membership ceases. No benefit is allowed in cases of confinement.

Membership is divided into two classes, Class B paying an entrance fee of 1s. (24 cents) and weekly dues of 6d. (12 cents), with allowance of sick benefit of 10s. (\$2.43) per week for the first eight weeks, and 5s. (\$1.22) for the next eight weeks if sufficient funds are in hand, but not



more than £6 (\$29.20) in any one calendar year. Female members receive 10s. (\$2.43) per week for four weeks and 5s. (\$1.22) for sixteen weeks additional, payments for such periods to be made but once in any year. Class A is made up of members over 21 and under 40 years of age at time of entry and having an average income of not less than 30s. (\$7.30) per week. Applicants for membership in this class must furnish a satisfactory medical certificate from the society's physician and pay an entrance fee of 1s. 6d. (37 cents), and weekly dues of 1s. (24 cents). Benefits in sickness are £1 (\$4.87) per week for the first eight weeks and 10s. (\$2.43) per week for eight weeks thereafter. Annual benefits are limited to £12 (\$58.40) and not more than eight weeks' full pay and eight weeks' half pay. Members are entitled to sick pay only after six months from date of acceptance, unless entering from Class B, when they are entitled from the date of admission. No charge for sickness in Class B can be placed on Class A. Members of both classes may pay an additional penny (2 cents) weekly and thus secure free medical attendance and medicine, if within prescribed distances from the office of a surgeon of the society.

On the death of a member of either class a levy of 1s. (24 cents) per member may be laid, or 6d. (12 cents) in the event of the death of a member's wife. The benefit payable is £20 (\$97.33) for a member, and £5 (\$24.33) for a member's wife. The rules authorize the substitution of a fixed periodical contribution for a levy on the occurrence of a death. This has been done by adding 1d. (2 cents) to the weekly contributions of each class, with the provision that the annual surplus shall go to form a funeral-benefit reserve fund—a distinction between this society and a strictly dividing society. The funeral-benefit reserve may also be drawn upon in cases of distress or accident. A sick-fund reserve is maintained, and subscriptions are received for funds for hospitals and convalescent homes, so that members who choose these benefits may secure them through the means of this society. A distress fund was raised by separate contributions for a time, but it is supported at the present from the regular dues. The sum of 2s. 6d. (61 cents) is deducted annually from the contributions of each member for management expenses.

Incidental advantages to membership in this society are a free accident-insurance policy for £500 (\$2,433) in a prominent British association, covering loss of life, sight, or limb, while a passenger in any public vehicle, including elevators; fire and burglary insurance at reduced rates; membership in a coal society and a supply association, by which many necessities may be bought at rates considerably below the usual retail rates; and the privilege of a penny bank, paying 5 per cent interest on sums not exceeding £5 (\$24.33) and working in conjunction with the post-office savings bank, by which all its funds are held.

The characteristic feature of the society is the annual division of funds, which are proportionately distributed among the members of each class after all claims thereon have been met. Representatives of deceased members participate in proportion to the amounts paid in by such members. Members of Class A receive double the amount of those in Class B and must leave 2s. (49 cents) as a balance to be carried forward to the next year; members of Class B leave 1s. (24 cents). In event the amount for distribution exceeds the sums of £1 (\$4.87) and £2 (\$9.73) per capita for the respective classes, the excess goes to a reserve fund, which may be drawn upon at such times as the distribution may fall short of the sums above named.

It is clear, therefore, that this society departs considerably from the methods of the typical slate club or dividing society, since it seeks not only to perpetuate its membership, but likewise its funds, and even proposes to place the funeral reserve on an actuarial basis. These facts bring it under the requirements as to valuation and the audit of accounts. It proposes furthermore to conduct its business not as a local society, but as one of national scope, and reports in 1908 that it "is now represented in most of the provincial cities and towns of the Kingdom by small but increasing coteries of members, and seems destined to assume something of the character of a national institution by reason of the fact that removal involves no loss of privilege or benefit."

Its report of growth of membership shows that for each year the growth was greater than that of the preceding year, the membership in 1908 being 8,165. The following table gives a record of the growth and the principal financial transactions of the society for fifteen years, 1894 to 1908:

STATISTICS OF THE NEW TABERNACLE SICK AND PROVIDENT SOCIETY, 1894 TO 1908.

[Source: Seventeenth Report and Balance Sheet, 1908.]

Year.	Member- ship.	Contri- butions.	Sick pay.	Funeral benefits.	Dividends.	
					Total.	Per capita.(a)
1894.....	110	\$657	\$97	\$24	\$618	\$5.11
1895.....	181	1,095	146	.....	939	5.47
1896.....	248	1,771	365	78	1,387	5.11
1897.....	319	2,336	321	170	2,073	5.72
1898.....	463	3,475	443	195	3,012	5.47
1899.....	609	4,978	711	146	4,214	5.35
1900.....	900	7,071	1,265	292	5,635	5.23
1901.....	1,329	10,098	1,942	97	7,845	4.93
1902.....	1,750	13,563	2,521	462	10,609	4.99
1903.....	2,472	18,999	2,925	243	15,222	5.11
1904.....	3,647	28,985	4,565	779	23,345	5.15
1905.....	4,426	35,949	6,472	1,484	27,827	5.03
1906.....	5,632	44,898	8,351	2,253	35,321	5.01
1907.....	6,904	54,602	9,582	2,316	43,696	5.09
1908.....	8,165	63,761	12,736	3,869	52,670	5.11

a For Class B: Class A received double these amounts.

The next table is a summary of the receipts and expenditures for the year 1908, distributed by the classes of accounts.

**SUMMARY OF ACCOUNTS OF THE NEW TABERNACLE SICK AND PROVIDENT SOCIETY, 1908.**

[Source: Seventeenth Report and Balance Sheet, 1908.]

Receipts.		Disbursements.	
<b>Sick benefits (Class A):</b>		<b>Sick benefits (Class A):</b>	
Contributions (1,816 members).....	\$22,978	Sick pay (428 members) .....	\$5,443
Contributions, lapsed members.....	187	Management account .....	1,105
Entrance fees, fines, etc.....	709	Distribution account .....	17,326
<b>Total.....</b>	<b>23,874</b>	<b>Total .....</b>	<b>23,874</b>
<b>Sick benefits (Class B):</b>		<b>Sick benefits (Class B):</b>	
Contributions (6,349 members).....	40,167	Sick pay (1,193 members) .....	7,293
Contributions, lapsed members.....	433	Management account .....	3,862
Entrance fees, fines, etc.....	2,117	Distribution account .....	31,562
<b>Total.....</b>	<b>42,717</b>	<b>Total .....</b>	<b>42,717</b>
<b>Funeral benefits:</b>		<b>Funeral benefits:</b>	
Amount reserved, 1907.....	195	Deaths of members (35) .....	3,406
Contributions.....	4,304	Deaths of members' wives (14) .....	341
Contributions, lapsed members.....	59	Death claims pending .....	122
<b>Total.....</b>	<b>4,558</b>	Distress fund .....	331
<b>Medical benefits:</b>		Funeral fund reserve .....	268
Amount reserved, 1907.....	397	<b>Total .....</b>	<b>4,558</b>
Check outstanding, 1907.....	5	<b>Medical benefits:</b>	
Contributions.....	3,069	Medical officers .....	3,239
<b>Total.....</b>	<b>3,471</b>	Management account .....	232
<b>Distress fund:</b>		<b>Total .....</b>	<b>3,471</b>
Brought forward from 1907.....	131	<b>Distress fund:</b>	
From funeral benefit account.....	331	Christmas dinners .....	44
Sundries.....	58	Gifts and loans .....	444
<b>Total.....</b>	<b>520</b>	Balance .....	32
<b>Management account:</b>		<b>Total .....</b>	<b>520</b>
Contributions.....	4,967	<b>Management account:</b>	
Medical benefit account.....	232	Rent, insurance, etc .....	243
Sundries.....	13	Salaries .....	3,419
<b>Total.....</b>	<b>5,212</b>	Printing, stationery, etc .....	699
<b>Interest account:</b>		Distribution accounts .....	851
National debt commissioners.....	663	<b>Total .....</b>	<b>5,212</b>
Post-office savings bank .....	65	<b>Interest account:</b>	
Other deposits and stocks.....	144	Funeral benefit reserve .....	45
<b>Total.....</b>	<b>872</b>	Distribution accounts .....	827
		<b>Total .....</b>	<b>872</b>

**MEDICAL AND COLLECTING OR BURIAL SOCIETIES.**

Medical and burial societies for the cooperative meeting of the expenditures indicated by their titles may next be mentioned. The former may be merely a club which engages for its members the services of a doctor at a uniform rate of cost met from the club funds, or it may be an association of friendly societies and branches maintaining a hospital and staff of physicians and surgeons, or it may occupy any intermediate position between the two. Burial societies, designated in the law as collecting societies, prevail more extensively among the less provident of the poorer classes and have

among their members a large proportion of young children. Abuses in the way of overinsurance and consequent indifference as to the recovery of sick children have been reported as following the workings of societies of this class, as well as that of excessive charges for collection and management, whereby in some instances nearly one-half the contributions of the members are absorbed. The abuse of overinsurance of children with its attendant temptations is the subject of legislation which requires payments to be made only to the parent of the deceased or to a personal representative of such parent, and limits the amount payable to £6 (\$29) in the event of the death of a child under 5 years of age, and to £10 (\$49) for one between 5 and 10. If insurance or other payments are derivable from two or more sources, the total must not exceed the amounts named. Inspections and investigations by the registrars of friendly societies have had a beneficial effect in checking the waste in the matter of expenses. More difficult to reach is the practice of dropping members, which was formerly within the power of the collector whenever he might for any reason wish or be instructed to do so. Merely by the collector's refraining from calling for the dues, the insured person having no knowledge of how to reach the central office and frequently unable to do so if he had the knowledge, the policy speedily fell into arrears and then lapsed, with a forfeiture of all previous payments or possible benefits. The eagerness of the poor to escape a pauper burial and the payment of the insurance immediately after death, together with the artful insistence of agents and collectors, have kept such societies in existence, the favorable points remaining fixed in mind more persistently, apparently, than the proportionately high cost and the numerous lapses.

Societies of this class are subject to the Collecting Societies and Industrial Assurance Companies Act, 1896, whether registered as friendly societies or not. One important feature of this law is the requirement of 14 days' notice, with opportunity for paying up arrears, before any policy can be forfeited for nonpayment of contributions. The report of the chief registrar for 1906 showed 37 collecting societies in England, 7 in Scotland, and 1 in Ireland, with an annual income in excess of £3,397,000 (\$16,531,501) and funds amounting to £8,469,000 (\$41,214,389). In 1908 the number of societies in the respective divisions of the United Kingdom were 45, 8, and 2, the income having increased to more than £3,944,000 (\$19,193,476) and the funds to £9,946,000 (\$48,402,209).

The principal facts concerning the financial working of societies of this class for the years 1906 and 1908 appear in the following table:

NUMBER OF COLLECTING SOCIETIES AND MEMBERS, AVERAGE ANNUAL CONTRIBUTION, AND APPORTIONMENT OF FUNDS.

[Source: Reports of the Chief Registrar of Friendly Societies for the years ending December 31, 1906 and 1908.]

1906.

Accumulated funds per member.	Societies reporting.	Number of members.	Average annual contribution per member.	Per cent of income.				
				Derived from—		Applied to—		
				Contributions.	Other sources	Benefits.	Management.	Accumulated funds.
\$4.87 and over.....	19	4,604,996	\$1.96	89.8	10.2	42.8	39.7	17.5
\$3.65 and under \$4.87..	4	2,106,915	1.99	94.8	5.2	37.1	41.9	21.0
\$2.43 and under \$3.65..	4	894,392	1.48	92.5	7.5	40.9	42.9	16.2
Under \$2.43.....	18	278,004	2.29	98.8	1.2	41.2	51.8	7.0
Total.....	45	7,884,307	1.92	91.7	8.3	41.0	41.1	17.9

1908.

\$4.87 and over.....	23	5,172,235	\$2.05	90.0	10.0	39.5	39.5	21.0
\$3.65 and under \$4.87..	3	3,442,196	1.92	93.3	6.7	39.0	40.9	20.1
\$2.43 and under \$3.65..	5	13,178	1.57	94.3	5.7	53.0	43.6	3.4
Under \$2.43.....	24	382,965	2.49	98.3	1.7	41.4	54.3	4.3
Total.....	55	9,010,574	2.02	91.4	8.6	39.4	40.7	19.9

These tables illustrate the points of criticism of societies of this class, the amounts paid out as benefits being, on the average, slightly less than the cost of management for each year. The excess is also somewhat greater for 1908 than for 1906, though accumulated funds receive a larger percentage of the funds in the later year, drawing somewhat from both benefit and management accounts. Another difference that is favorable, though slight, is that the percentage of income from other sources than direct contributions is larger in 1908 than in 1906.

Three collecting societies in England reported members in 1906 to the number of 2,249,341 for the largest, 2,190,027 for the next, and 2,101,236 for the third. The next largest society of the sort is in Scotland, and reported 901,286 members. Thus out of a total membership of 8,398,233 persons at the end of the year, 7,441,890 were to be found in four societies, leaving the remainder to the 48 remaining societies reporting in this class for the year.

A secretary of the largest of these societies stated that "I always calculate that at least two-thirds of the people who become insured in our office, and in similar institutions, allow their policies to lapse, and consequently deprive themselves of the benefit;" and added, "I believe that it is possible for a life office not doing any sick or endow-

ment business to carry on its business without any accumulated fund, considering the lapses." This society reported 912,803 members admitted during 1906, with 52,503 losses by death, and 684,610 from "other causes," which practically means lapses. The other two larger societies mentioned above had, respectively, 524,663 accessions, 40,028 deaths, and 396,626 losses from other causes; and 689,949 accessions, 33,379 deaths, and 507,473 losses from other causes. All societies reporting had 2,752,127 accessions, 162,329 losses by death, and 2,073,780 losses by other causes, making a net gain in membership during the year of 516,018, or but 18.7 per cent of the number of accessions.

#### DEPOSIT SOCIETIES.

A form of friendly societies that is distinct from all others is known as deposit friendly societies, combining savings bank functions with those of a provident society. The distinguishing characteristic of these societies is that the amount of sick relief is not measured alone by the amount of insurance carried, but by the amount of savings deposited as well. Thus continued sickness may exhaust not only the insurance benefits, properly so-called, but may also wipe out the deposit account, after which all benefits cease. The idea of the originator of this plan was that the members would be constrained to avoid malingering and would use all efforts to retain a balance so as to hold membership; while the fact that every allowance for sickness involves a pro rata impairment of the deposit account assures that only in cases of actual necessity will benefits be claimed.

The scheme of the original society involved the division of the membership into five groups on the basis of their likelihood to require relief. A uniform premium is charged for all members, the sick rate being based on a simple average of the sickness during the preceding five years. Members of the first class (least likely to require relief) pay one-fourth of their sick allowance from their own fund, the remainder coming from the sick fund of the society; those of the second class pay one-third, of the third class one-half, of the fourth class two-thirds, and of the fifth class five-sixths of their own sick allowance. When the member is unable to draw his allotted portion of relief from his own fund, all claims cease. Old-age allowances were similarly regulated, while medical attendance was provided for partly by a small annual rate and partly according to a special scheme. The system is therefore not one of insurance so much as of savings, and for this reason it has been said that it should never have been classed as a friendly society. A number of organizations patterned more or less closely after this original have, however, made a growth that gives them national scope and influence.



One of the larger societies of this class, the National Deposit Friendly Society, was organized as a local society in 1868, and made a national organization under registered rules four years later. It provides sick, medical, and old-age pay, pensions, endowments, and ordinary life assurances, but its prominent feature is its deposit system. "A member has neither to be ill or die to receive benefit. If he is fortunate enough not to require sick or medical pay, then his money accumulates and is at his disposal for a rainy day."

The criticisms of these societies, that they are essentially savings banks rather than friendly societies, not professing to give insurance, and are primarily individual and not social, are resented by the supporters of the deposit idea, who maintain that the scope of the friendly society is broad enough to cover this scheme as well. That the deposit plan appeals to considerable numbers of British workmen is inferable from the fact that the one society above named has made a constant and rapid growth, and especially in the later years of its history, as appears from the following table:

**MEMBERSHIP AND FINANCIAL STATEMENT OF THE NATIONAL DEPOSIT FRIENDLY SOCIETY FOR CERTAIN YEARS.**

[Source: Rules of the National Deposit Friendly Society, 1906, p. 2.]

Year.	Members received during year.	Annual receipts.	Annual sick and medical pay.	Total members.	Total invested funds.
1897.....	6,495	\$210,885	\$50,651	25,396	\$623,267
1901.....	15,563	542,050	142,399	68,400	1,440,562
1905.....	23,675	987,252	336,679	138,962	2,937,288

In 1907 the total membership had grown to 169,100 and the total investments to £844,838 18s. 11d. (\$4,111,409), the total assets at that date being £874,820 17s. 4d. (\$4,257,316).

The membership comprises both sexes, the age of admission ranging from 5 to 55 years. Three classes of members are formed, Class A consisting of males from 5 to 35 years of age, in good health, of sound constitution, with good family record, and employed in an approved occupation; Class B, of males from 5 to 35 years of age not reaching the standard of Class A in one or more of the above particulars; of males between 35 and 45 and of females between 5 and 40 years of age who possess the qualifications of Class A; and Class C, of males under 55 and females under 50 years of age falling within certain less favorable conditions of health, hereditary tendencies, and occupation.

Children between the ages of 5 and 13 years may pay no more than 6d. (12 cents) per month, and those from 13 to 16 not more than 1s. 6d. (37 cents) per month. A member over 16 years of age determines the rate of his contribution, the amount of the monthly contri-



bution fixing the daily sick pay, though this may not exceed 10s. (\$2.43) for males and 5s. (\$1.22) for females. Thus a member who wishes to draw 2s. 6d. (61 cents) as daily pay in event of sickness must pay that sum as his monthly contribution. Besides these contributions, each member has a deposit or savings bank account in the society, subject entirely to his control except for the restriction that he must never reduce it below an amount equal to the sum of his last twelve monthly contributions unless required for sick or medical pay. This deposit draws interest at the rate of  $2\frac{1}{2}$  per cent per annum.

From the amount paid in as contributions deductions are made annually for the member's share of the general sick fund and the funds for old age, funeral pay, and management, the balance being transferred to the member's deposit account. Should a member at any time desire to leave the society, the whole of his deposit is paid him, less an amount equal to his last twelve months' contributions. In case of death, the whole deposit is paid over, plus £3 (\$14.60) from the society's funeral fund. Members going on the sick fund pay a share of their benefits out of their own deposits at a rate varying according to classification, members of Class A paying one-fourth, of Class B one-third, and Class C one-half of their individual benefits. "All benefit is thus absolutely dependent on deposit, and it is in this way that the society 'helps those who help themselves.'" It is to a member's own interest "to keep off the sick list, or, if on it, to get off again as soon as possible," and malingering "is a thing practically unknown in the society." The society claims to have the "lowest average of sickness amongst all existing friendly societies."

In confinement, a married woman receives one month's sick benefit on the basis of Class C, if her deposit account will permit. If a deposit account is exhausted by reason of protracted illness, a person who has been a member for twelve months may receive a sum from the sick fund of the society equal to the amount he had received during the continuance of the same illness and for the same length of time, which sum is known as "grace pay." Thus if he had drawn 2s. (49 cents) per day for twelve months, contributing one-fourth from his own deposit, he would be entitled after the exhaustion of his deposit to a payment of 1s. 6d. (37 cents) per day for six months, or 9d. (18 cents) per day for twelve months. The member is not required to repay this sum on his recovery, but can draw no more sick pay until after twelve months, nor can he receive "grace pay" more than once in five years.

Provision for old-age pay is a special feature of this organization. At the age of 70 years a member's right to sick relief and his contributions to the common sick fund cease, but in lieu thereof he contributes to the old-age fund one-half the amount of his former monthly

contribution, and may receive as old-age pay a sum not exceeding one-half the sum he had been previously entitled to as sick pay. Such old-age pay is charged against the member's deposit in part and in part drawn from the old-age fund of the society in the proportions shown in the following table:

PROPORTION OF OLD-AGE PAY CHARGED AGAINST VARIOUS FUNDS, NATIONAL FRIENDLY DEPOSIT SOCIETY.

[Source: Rules of the National Friendly Deposit Society, 1906, p. 21.]

Age at entrance.	Per cent of pay charged against—			
	Member's deposit.		Old-age fund.	
	Males.	Females.	Males.	Females.
Under 16 years.....	29.2	29.2	70.8	70.8
16 and under 20 years.....	29.2	29.2	70.8	70.8
20 and under 25 years.....	33.3	37.5	66.7	62.5
25 and under 30 years.....	41.7	45.8	58.3	54.2
30 and under 35 years.....	45.8	54.2	54.2	45.8
35 and under 40 years.....	54.2	54.2	45.8	45.8
40 and under 45 years.....	58.3	62.5	41.7	37.5
45 and under 50 years.....	58.3	62.5	41.7	37.5
50 and under 55 years.....	66.7	66.7	33.3	33.3

#### SHOP CLUBS.

A friendly society of one of the forms above discussed may be formed in connection with some particular shop, works, or undertaking, when it is known as a factory society, shop club, or some name of like import. The employer may be, and usually is, a contributor in some form toward the maintenance of the organization, and formerly frequently made it a condition of employment that employees become members of the establishment society. With this might be coupled the requirement that membership should not be retained in another society, the object being, as was claimed, to prevent the securing of benefits in such amounts as to encourage malingering.

The matter of compulsory membership in shop clubs and of compulsory withdrawal from other societies gave rise to complaints on the part of workmen, which resulted in the appointment by the secretary of state for the home department of a committee of investigation in the year 1898. This committee considered as shop clubs "every club and society for providing benefits to workmen in connection with a workshop, factory, or other commercial undertaking." These they grouped into three classes, the first made up of "what are commonly known as 'slate clubs,'" which have been described above as dividing societies, and which gave sick pay only. The second class provided sick pay and also kept some funds on hand for relief in cases of fatal accidents, funeral expenses, and other benefits. Some of these clubs granted employees leaving service, either voluntarily or by dismissal, a part of their accumulated contributions, but generally not their full

value, while others declared a forfeiture of all claims on the club in such event. The third class was composed of clubs of a permanent character, which provided sick pay, medical attendance, funeral expenses, and in some cases superannuation pay. While these clubs were eligible to registration under the friendly society act, only the smaller number of them were found to be so registered, and these chiefly from the third class.

At the hearings conducted by the home department's committee the employees' representatives were divided in their opinions as to the employer's right to require as a condition of employment that the workman should be a member of some club, but finally agreed that they would be satisfied with the prohibition of a requirement of a condition of employment that the employee should belong to any particular society or that he should cease to belong to any particular society.

The employers' reasons for insisting on membership in the shop clubs were summed up by the committee in the following language:

However favorable to the workmen the scheme of a shop club might be, there would generally be some who through thriftlessness, negligence, or obstinacy would fail to avail themselves of it.

Where all the workmen do not join the shop club, the purpose of preventing vexatious casual appeals, both to employer and fellow-workmen, for assistance (which is a leading motive for the establishment of shop clubs) would be defeated.

It is conducive to the stability of the club that its risks should be distributed over as large an area as possible—that is, over the whole number of workmen employed.

The circumstance that the club applies to the whole body of workmen would enable the members to secure the greatest amount of benefit at the cheapest rate.

A large majority of the workmen in the employment, including, as a rule, the most careful and thoughtful men, being in favor of the club extending over the whole body, their view ought to prevail over that of the minority.

The conclusions reached by the committee themselves were that a shop club should be registered under the friendly societies act; that it should be permanent in its character; that it should afford to the workmen substantial benefits at the cost of the employer in addition to those provided by the contributions of the workmen themselves, and that the conditions of insurance, taken as a whole, should be satisfactory and be calculated to be beneficial to the workmen. If these conditions were met, the committee thought, the law might permit the employer to require employees to join his shop club; otherwise not.

These recommendations were practically enacted in the Shop Clubs Act of 1902, with the added provision that, before certification, the registrar should satisfy himself that at least 75 per cent of the workmen desire the establishment of such a fund. Workmen's objections

shall also be considered. Restrictions as to membership in other societies are prohibited. The results have been but slight in so far as the formation of such clubs is concerned, but it is the opinion of the chief registrar that the law has put an end to the requirement of membership in shop clubs as a condition of employment, except in the few cases in which the club is registered under the act. Seven clubs were registered up to the end of the year 1907, five of these having been registered in 1903. The number has not been increased since the end of 1904.

#### TRADE SOCIETIES.

Distinct from both the shop clubs and the trade unions are those friendly societies whose membership is made up of persons associated with particular professions, industries, or trades. They are of no particular type, their one characteristic being the limitation of their membership to a single industrial class or group. The same may be said of a number of societies that admit only females to membership. By the report for the year 1906, agricultural laborers had the largest number of trade societies, though they ranked fourth in the number of members, societies composed of miners and quarrymen being far in the lead in the matter of membership, and being almost as numerous as are the societies of agricultural laborers. There were 832 societies of this class reported in 1906, of which the more important groups were 220 of agricultural laborers, with a total membership of 26,213, and funds amounting to £294,850 (\$1,434,888); 215 miners and quarrymen's societies, with 423,246 members and £965,593 (\$4,699,058) funds; 73 societies of railway employees, with 151,547 members and funds to the amount of £1,489,119 (\$7,246,798); and 62 societies of textile workers, with 48,964 members and £156,943 (\$763,763) funds.

#### MINERS' PERMANENT RELIEF FUNDS.

A distinctive group of societies of this class is that composed of what are known as the miners' permanent relief funds. These are a recent development of the friendly society idea, and owe their origin to the peculiar hazard of the industry among whose employees they have their special field. Some societies excluded miners entirely from membership, while others adopted higher rates of contribution to meet the greater risks of their employment. Discriminations of this sort were difficult of enforcement, however, and the conclusion was reached that the more effective and satisfactory solution of the problem lay in the formation of separate societies. These societies ignore sickness and provide for relief only in case of accident, whether fatal or nonfatal, though one, the Midland District Miners' Fatal Accident Relief Society, is restricted, as its name indicates, to cases

of accidental death. All societies of this class provide for the relief or maintenance of widows and children of members, and some also for the care of parents or other dependents. Relief for disabled superannuated members (above 50 years of age in some societies and above 60 in others) is provided for by a few societies.

The oldest society of this class is the Northumberland and Durham Miners' Permanent Relief Fund, founded in 1862. A series of mine disasters involving the loss of many lives gave an impetus to the formation of societies of this class, and others followed the general lines laid down by this oldest member of the group until each principal mining district had its own fund.

An illustration of both the cause and method of the formation of societies of this class is to be found in the case of the North Staffordshire Coal and Ironstone Workers' Permanent Relief Society, which was founded in 1870 with the assistance of £3,000 (\$14,600) received from the trustees of a fund subscribed to aid the sufferers of a severe explosion which had occurred a few years before. As stated in the rules of the society, its object is to raise funds by subscriptions from members and donations from others in order to make provision for members killed or injured in accidents. In case of fatal accidents, relief is administered in one or more of three forms, i. e., the payment of a sum at the death of a member, of a weekly allowance to the widows and orphan children of married members, or of a weekly allowance to parents over 50 years of age of unmarried members. In cases of nonfatal accidents the relief takes the form of a weekly allowance.

The society is composed of two classes of members—honorary members, who pay dues and have a vote in the management of the society but receive no benefits, and ordinary members, who pay the usual weekly dues and are entitled to the benefits named below. A committee of management, composed of honorary and of ordinary members, conducts the affairs of the society. All the society's property, money, etc., is vested in three trustees, for the use and benefit of the society. To avoid litigation five arbitrators are elected each year who decide all disputes arising within the society. The members at each colliery are organized into local lodges, each having its complement of officers and its representative to the annual general meeting which elects the committee of management. The local officers collect dues, visit members receiving benefits, and see that the rules of the society are properly carried out. The committee of management is required to have a valuation of the assets and liabilities of the society made at least once in every five years, as specified in the Friendly Societies Act of 1875.

The expenses of management are defrayed by the subscriptions of honorary members and by one-half penny (1 cent) per week out of

each full member's contribution. All funds for the administration of the society are kept in a separate account.

The following table shows the dues and benefits of some of the more important miners' permanent relief societies:

CONTRIBUTIONS AND BENEFITS OF CERTAIN MINERS' PERMANENT RELIEF SOCIETIES.

[Source: Rules of the societies named.]

Name of society.	Contributions.		Benefits.						
	En-trance fee.	Weekly dues.	Non-fatal ac-cidents (week-ly).	Fatal accidents.					
				Unmarried per-sons.		Married persons.			
				Funeral benefit.	Depend-ent parent (week-ly).	Funeral benefit.	Wid-ow's allow-ance (week-ly).	Each child's allow-ance (week-ly).	Extra allow-ance per child if with-out mother (week-ly).
Northumberland and Dur-ham (a).....	.....	\$0. 10	{ b \$1. 22 c 1. 95 d 2. 43	c \$111. 93	d \$1. 22	\$24. 33	\$1. 22	\$0. 49	\$0. 37
North Staffordshire.....	\$0. 24	f. 08	{ g 1. 83 h 1. 91	97. 33	{ i . 97 j . 49	24. 33	{ k . 97 l . 49	. 49	i. 49
Lancashire and Cheshire...	. 24	{ m . 08 n . 10	{ o 2. 19 p 1. 70	73. 00	.....	24. 33	. 97	. 49	i. 49
West Riding of Yorkshire..	. 16	. 08	{ q 1. 46 r 1. 95	p 111. 93	1. 22	24. 33	1. 22	. 49	. 37
Mon mouthshire and South Wales.....	.....	. 08	{ s 1. 46 t . 73	97. 33	.....	24. 33	1. 22	. 61	i. 49
Midland District.....	.....	. 02	.....	p 73. 00	s 1. 22	i 24. 33	1. 22	. 61	.....
Thorncliffe and Rocking-ham.....	. 12	. 06	{ b 1. 16 c 1. 58	90. 03	.....	19. 47	. 97	. 37	. 32

a In addition to the benefits named this society has a superannuation benefit of \$1.22 per week.  
b For first 26 weeks.  
c Not paid when weekly benefits are paid to dependent survivors.  
d Payable also to dependent brother, sister, son, or daughter.  
e After first 26 weeks.  
f Seven cents if an employer contributes not less than 20 per cent of the amount contributed by his employees.  
g For first 2 weeks.  
h For first 5 years.  
i For first child; 37 cents for each additional child, the total extra allowance not to exceed \$1.22 per week.  
j For 50 weeks following first 2 weeks.  
k For second five-year period.  
l After 52 weeks.  
m For surface men.  
n For underground men.  
o After first 2 weeks; \$1.22 after 60 years of age and after having received disablement benefit continuously for 5 years.  
p If weekly benefits are paid to dependent parents, \$24.33.  
q For 6 weeks.  
r For 3 years following first 6 weeks; may be commuted to a lump-sum payment of not more than \$97.33.  
s To widowed mother only.  
t And an additional cash allowance of \$12.17 if a widow survives.

Most of the societies provide for a class of "half members," who pay half the regular dues and are entitled to half the benefits. As a rule this class is restricted to young persons and females and forms an unimportant part of the total membership.

The financial status of seven of these societies is shown by the accompanying table, compiled for six societies from the reports for the years ending December 31, 1903 and 1908, and for one from the reports for the years ending December 31, 1903 and 1907.

NUMBER OF MEMBERS, TOTAL RECEIPTS, PRINCIPAL EXPENDITURES, AND ACCUMULATED FUNDS OF MINERS' PERMANENT RELIEF SOCIETIES.

[Source: Annual reports of the societies named.]

Leam.....	1862	1903	152,691	\$732,162	99,485	\$186,663	\$109,872	\$245,002	31,532,014
		1907	175,740	906,380	13,136	250,149	119,664	312,266	2,062,378
North Staffordshire.....	1870	1903	6,512	27,321	657	12,294	7,705	.....	128,026
		1908	5,039	22,510	192	12,649	6,111	.....	129,420
Lancashire and Cheshire...	1872	1903	46,780	249,787	2,920	123,393	56,513	.....	498,177
		1908	55,448	300,044	6,393	154,823	49,829	.....	641,410
West Riding of Yorkshire..	1877	1903	27,950	113,563	1,966	68,454	16,989	128	268,233
		1908	35,643	155,627	3,810	113,707	23,950	63	315,145
Monmouthshire and South Wales.....	1881	1903	18,982	202,909	2,500	75,571	87,345	18,123	1,031,207
		1908	777	54,248	116	19,552	58,437	11,239	701,913
Midland District.....	1883	1903	31,827	44,939	2,093	.....	20,260	.....	259,699
		1908	39,578	54,872	2,125	.....	24,873	.....	349,702
Thorncliffe and Reckingham.....	1899	1903	3,749	26,931	526	7,347	1,325	2,033	131,243
		1908	4,319	33,363	718	11,861	2,621	2,625	187,671

Some of the societies publish summary tables showing their status for each year of their existence. The figures given in the tables following are reproduced from the report of the West Riding of Yorkshire society for 1908, and show its growth since 1882.



## SUMMARY OF THE OPERATIONS OF THE WEST RIDING OF YORKSHIRE MINERS' PERMANENT RELIEF FUND FRIENDLY SOCIETY, 1882 TO 1908.

(Source: Thirty-second Annual Report of the West Riding of Yorkshire Miners' Permanent Relief Fund Friendly Society.)

Year.	Membership.			Deaths from accidents.					Widows and children.			
	Full.	Half.	Total.	Half mem- bers.	Unmar- ried.	Wid- owers.	Mar- ried.	Total.	Number ad- mitted to benefits.		Number on the fund Dec. 31.	
									Wid- ows.	Chil- dren.	Wid- ows.	Chil- dren.
1882....	12,619	1,277	13,896	4	5	1	15	25	15	31	49	118
1883....	14,709	1,439	16,138	6	16	.....	33	55	23	63	78	165
1884....	14,007	1,249	15,256	3	10	.....	21	34	20	57	86	206
1885....	14,017	1,357	15,374	3	10	1	13	27	14	28	91	208
1886....	16,616	1,702	18,318	4	17	1	20	51	20	36	106	242
1887....	18,791	1,819	20,610	2	12	2	26	55	28	50	134	290
1888....	18,123	1,870	19,993	5	14	.....	26	45	26	43	51	310
1889....	10,610	1,180	11,790	8	13	.....	34	55	34	51	173	313
1890....	12,462	1,370	13,832	1	7	2	20	30	20	45	172	315
1891....	13,697	1,528	15,225	2	10	1	25	38	25	30	178	314
1892....	14,067	1,394	15,461	2	10	.....	20	22	20	47	181	315
1893....	13,940	1,348	15,288	1	4	.....	11	16	11	19	178	296
1894....	15,091	1,536	16,627	1	10	1	11	23	11	29	176	274
1895....	15,611	1,553	17,164	4	10	.....	13	27	13	10	173	235
1896....	16,980	1,596	18,586	4	5	.....	21	30	21	35	180	224
1897....	17,909	1,576	19,485	6	10	1	15	32	15	33	181	216
1898....	18,665	1,435	20,100	4	10	1	19	24	19	36	187	207
1899....	19,373	1,481	20,854	6	4	.....	15	26	16	25	189	198
1900....	21,127	1,415	22,542	2	8	.....	17	24	17	34	188	196
1901....	23,094	1,463	24,557	2	11	.....	19	32	19	31	187	192
1902....	24,678	1,586	26,264	3	15	.....	10	28	10	11	182	182
1903....	26,204	1,746	27,950	2	12	1	24	39	24	56	196	206
1904....	27,168	1,749	28,917	6	10	1	31	48	31	60	210	229
1905....	27,938	1,860	29,798	2	10	.....	23	35	23	39	210	236
1906....	30,328	2,032	32,360	5	21	1	38	65	38	69	229	256
1907....	33,177	1,931	35,108	1	21	1	32	55	32	71	244	311
1908....	33,908	1,675	35,583	8	23	1	27	50	27	46	267	332

Year.	Deaths from accidents.								Widows and children.			
	Full.	Half.	Total.	Half mem- bers.	Unmar- ried.	Wid- owers.	Mar- ried.	Total.	Number ad- mitted to benefits.	Number on the fund Dec. 31.	Wid- ows.	Chil- dren.
1882....	37	2	39	45	1	46	24	189	2,312	35.45	17	16
1883....	51	3	54	67	1	68	42	203	2,845	5.20	20	23
1884....	60	2	62	95	.....	95	75	194	2,869	5.65	15	40
1885....	54	.....	54	108	.....	108	44	171	2,415	5.82	10	43
1886....	63	3	66	133	3	136	61	200	3,341	5.48	3	40
1887....	82	3	85	152	3	155	31	356	4,187	5.44	1	38
1888....	90	2	92	159	4	163	51	357	4,058	5.32	6	36
1889....	65	5	70	157	3	160	73	361	3,834	5.26	1	33
1890....	38	1	39	134	2	136	62	258	2,320	5.10	.....	30
1891....	43	.....	43	131	1	132	51	274	2,375	5.41	1	25
1892....	41	4	45	125	2	127	28	258	2,486	5.50	.....	21
1893....	42	1	43	130	1	131	17	136	1,753	5.27	.....	18
1894....	28	3	31	129	2	131	74	296	2,060	4.96	1	15
1895....	51	.....	51	139	.....	139	67	267	3,234	5.25	.....	14
1896....	63	3	66	160	3	163	75	308	3,783	5.35	1	11
1897....	82	3	85	193	3	196	.....	338	4,267	5.39	1	10
1898....	81	2	83	209	1	210	3,929	341	4,280	5.32	.....	8
1899....	77	2	79	232	2	234	3,581	330	3,911	5.65	.....	6
1900....	100	.....	100	258	2	260	3,754	328	4,082	5.91	.....	3
1901....	113	2	115	280	2	282	3,974	266	4,240	6.25	.....	3
1902....	118	7	125	298	5	303	4,379	263	4,642	6.46	.....	3
1903....	114	3	117	293	.....	293	4,961	251	5,242	6.47	.....	2
1904....	100	8	108	319	2	321	5,518	338	5,856	6.63	.....	2
1905....	130	4	134	318	3	321	6,219	402	6,621	6.26	.....	2
1906....	163	4	169	353	2	355	7,022	468	7,490	6.23	.....	1
1907....	185	5	190	384	3	387	8,337	634	8,971	6.37	.....	1
1908....	217	7	224	414	3	417	9,412	627	9,939	6.67	.....	1

# CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1577

## INCOME AND EXPENDITURES OF THE WEST RIDING OF YORKSHIRE MINERS' PERMANENT RELIEF FUND FRIENDLY SOCIETY, 1882 TO 1906.

[Source: Thirty-second Annual Report of the West Riding of Yorkshire Miners' Permanent Relief Fund Friendly Society.]

### INCOME.

Year.	Members' contributions.	Honorary members' contributions.	Colliery owners' percentages and donations.	Interest.	Rents.	Relief fund supplies.	Sundries.	Drawn from accumulated funds.	Total.
1882	£40,976	£769	75	£2,541	£70		£32		£47,563
1883	47,268	251	83	3,655	165				54,522
1884	48,122	276	50	3,152	282	£7,300	40		62,922
1885	39,603	460	46	3,675	252		18		47,463
1886	51,798	375	02	3,506	218		19		59,018
1887	50,955	192	88	4,064	285			£454	67,418
1888	58,281	299	11	3,857	252	9,732	4		75,237
1889	57,492	387	92	3,888	186		284	4,497	70,225
1890	50,097	787	46	3,792	282		131		60,016
1891	57,455	790	88	4,761	244		8		64,606
1892	61,080	946	80	3,924	249		242		68,841
1893	43,888	582	21	4,004	251		3	3,399	53,299
1894	63,850	878	99	4,172	322		125		71,344
1895	66,180	995	91	4,370	251		141		74,308
1896	71,499	926	75	4,852	251		151		79,754
1897	76,381	998	41	5,899	251		215		84,945
1898	79,088	998	50	5,524	251		211		86,622
1899	79,737	513		7,226	251		221		87,948
1900	85,151	999		6,899	251		228		93,998
1901	91,825	547		7,308	251		5		99,736
1902	93,845	557		7,519	253		751		102,645
1903	103,655	608		8,493	251		496		113,563
1904	112,925	769		8,523	252		396		123,858
1905	114,794	992		9,225	218		441		125,270
1906	123,881	567		9,606	122		514		134,189
1907	134,794	579		10,453	514		548		146,888
1908	143,792	467		10,298	513		558	673	156,301

### EXPENDITURES.

Year.	Burial money.	Widows and children.	Disablement.		Superannuation.	Returned contributions.	Management.		Sundries and depreciation.	Accumulated funds.	Total.
			Minor.	Permanent.			Local.	General.			
1882	£1,188	£5,170	06	£4,077	19	£753	£2,536	65	£59	£17,391	£47,563
1883	3,056	7,225	07	5,590	08	781	2,948	65	53	14,149	54,522
1884	1,895	10,426	22	3,973	94	541	3,191	28	111	15,079	62,922
1885	1,499	11,112	47	10,997	85	391	2,909	29	14	709	47,463
1886	2,998	11,994	33	12,847	06	335	3,398	24	76	2,759	59,018
1887	2,541	14,775	80	15,624	27	379	3,762	76	483		67,418
1888	2,425	16,663	19	17,548	06	373	3,859	85	581	5,184	75,237
1889	2,647	18,575	80	17,898	88	351	3,813	08	455		70,225
1890	1,492	19,323	25	16,069	54	385	3,200	93	149	1,926	60,016
1891	1,776	19,134	51	13,991	80	419	3,451	47	956	6,531	64,606
1892	1,723	19,797	61	13,945	28	373	3,619	77	99	10,499	68,841
1893	774	19,242	68	13,699	30	189	2,873	34	89		53,299
1894	1,294	13,456	91	12,855	40	239	3,914	16	82	13,855	71,344
1895	1,999	17,890	77	14,396	89	295	3,944	50	446	14,519	74,308
1896	1,394	17,417	96	15,432	87	290	4,218	91	368	15,190	79,754
1897	1,699	17,491	89	15,674	91	349	4,480	45	71	14,246	84,945
1898	1,539	17,606	84	22,905	28	290	4,734	53	64	11,389	96,622
1899	1,187	17,344	08	24,126	40	265	4,842	42	57	13,607	87,948
1900	1,099	17,261	08	26,799	28	281	5,098	74	52	14,456	93,428
1901	1,319	17,063	67	29,945	19	272	5,494	20	221	12,882	99,736
1902	2,899	16,330	73	33,823	190	261	5,602	71		9,026	102,645
1903	1,954	16,999	97	34,557	129	299	6,191	74		14,331	113,563
1904	2,399	18,685	98	36,340	129	264	6,806	24	496	14,644	123,858
1905	1,799	19,296	85	34,522	126	259	6,936	52	1,183	14,343	125,270
1906	2,897	20,199	85	35,314	79	268	7,485	23	243	12,259	134,189
1907	2,124	22,579	91	42,892	68	293	8,098	08	248	5,342	146,888
1908	2,511	23,999	72	47,494	63	319	8,707	83	263		156,301

The membership and financial operations of the Monmouthshire and South Wales Miners' Permanent Provident Society for the years 1881 to 1908, inclusive, are given in the next table.

**MEMBERSHIP, CONTRIBUTIONS, AND BENEFIT PAYMENTS OF THE MONMOUTHSHIRE AND SOUTH WALES MINERS' PERMANENT PROVIDENT SOCIETY, 1881 TO 1908.**

[Source: Report of Proceedings of the Twenty-eighth Annual General Meeting of the Monmouthshire and South Wales Miners' Permanent Provident Society, 1909.]

Year.	Num- ber of mem- bers.	Increase in mem- bership.	Num- ber of widows.	Num- ber of chil- dren.	Num- ber of old-age benefi- ciaries.	Num- ber of mem- bers dis- abled.
1881.....	64	.....	5	5	.....	532
1882.....	63	8,439	32	47	.....	2,510
1883.....	41	8,238	65	88	.....	4,939
1884.....	51	7,610	93	157	.....	6,207
1885.....	60	7,308	140	273	.....	7,806
1886.....	17	3,658	211	422	.....	9,795
1887.....	68	1,051	282	543	.....	10,801
1888.....	81	2,887	285	566	.....	9,020
1889.....	62	6,651	314	619	.....	10,985
1890.....	74	6,842	481	999	.....	10,164
1891.....	80	4,816	532	1,044	.....	8,591
1892.....	91	2,101	610	1,192	.....	10,222
1893.....	82	3,491	653	1,233	.....	11,950
1894.....	19	4,837	839	1,559	.....	12,917
1895.....	13	3,094	899	1,806	.....	14,503
1896.....	17	2,304	953	1,645	.....	15,041
1897.....	01	3,184	973	1,689	.....	19,240
1898.....	17	46,884	970	1,572	.....	10,473
1899.....	89	552	981	1,530	.....	8,302
1900.....	56	1,989	964	1,413	103	6,978
1901.....	12	2,646	979	1,346	176	6,682
1902.....	97	8,015	908	1,210	261	5,780
1903.....	62	2,615	947	1,068	317	4,892
1904.....	72	1,410	896	895	324	4,943
1905.....	11	3,261	891	820	294	5,524
1906.....	11,956	2,355	856	655	250	4,441
1907.....	1,023	10,933	824	541	221	2,390
1908.....	777	246	787	416	194	387

Year.	Contributions from—			Benefit payments.					
	Work- men.	Em- ployers.	Honor- ary mem- bers.	Funeral.	Widows.	Chil- dren.	Old age.	Disa- bility.	Total.
1881.....	\$9,183	\$2,090	\$1,005	\$122	\$173	.....	.....	\$ 68	\$4,154
1882.....	29,731	7,029	1,591	1,387	1,128	.....	.....	1 06	19,209
1883.....	58,040	7,935	2,354	3,343	2,566	.....	.....	3 81	42,409
1884.....	78,869	55	278	3,523	4,474	.....	.....	4 04	89,291
1885.....	103,978	65	36	7,723	4,499	.....	.....	6 76	85,807
1886.....	118,975	61	44	6,621	87	.....	.....	8 11	112,621
1887.....	127,381	96	59	7,987	45	.....	.....	9 97	133,944
1888.....	130,758	58	50	4,633	39	.....	.....	6 47	106,004
1889.....	148,887	35	28	6,048	11	.....	.....	6 82	107,625
1890.....	173,816	52	54	19,128	70	.....	.....	6 15	136,976
1891.....	190,679	74	30	6,245	01	.....	.....	6 23	136,654
1892.....	209,348	54	30	15,048	20	.....	.....	8 00	163,983
1893.....	207,766	33	01	6,783	40	.....	.....	10 14	185,829
1894.....	236,270	23	36	25,160	03	.....	.....	11 58	222,581
1895.....	248,207	43	34	8,844	06	.....	.....	13 96	241,903
1896.....	257,366	31	31	12,095	54	.....	.....	15 02	268,761
1897.....	270,567	29	25	9,375	58	.....	.....	16 11	277,351
1898.....	133,457	35	32	6,316	71	.....	.....	13 82	249,450
1899.....	100,926	1 18	22	6,054	20	.....	.....	11 11	222,884
1900.....	100,360	1,000 25	35	4,404	17	.....	\$4,057	10 75	209,408
1901.....	101,918	123,009	23	4,468	45	.....	8,772	9 04	206,399
1902.....	82,280	92,665	32	3,638	91	.....	13,876	8 85	196,481
1903.....	66,039	67,333	17	2,500	66	.....	18,123	7 71	183,539
1904.....	57,555	43,573	2,819	2,427	11	.....	19,255	8 26	183,041
1905.....	55,322	45,464	5,941	4,368	50	.....	17,070	8 50	193,806
1906.....	38,209	45,857	2,530	1,922	51,524	.....	14,684	6 11	153,310
1907.....	21,111	23,853	2,663	1,634	49,363	.....	13,274	4 79	123,011
1908.....	3,168	.....	2,578	116	47,002	.....	11,239	1 52	89,344

\* Decrease.

The marked and rapid decrease in membership of this society, together with the consequent falling off of contributions, indicates a practically dying organization. This was recognized by the president of the society in his annual address at the meeting in March, 1909, in which he commented on the fact that the experience of voluntary organizations such as this had demonstrated the necessity of transferring the burden of the results of industrial accidents on other than the victims themselves or their families, and that the Government had of late years realized the necessity of assuming such responsibility, as was evidenced by the passage of various statutes, "based largely upon the experience which these societies had themselves gathered." This declaration is borne out by the fact that the first great decrease in membership occurred in 1898, the year following the enactment of the first workmen's compensation act, and though there was some gain for the next two years, the diminution has been constant and rapid since 1901. That the decay of the organization is not due to improper financing or a failure to make adequate assessments is indicated by the fact that there was on hand at the date of the meeting above mentioned a sum amounting to £144,233 (\$701,910), which was declared by the president to be ample, with proper management, for the discharge of the existing obligations to widows, orphans, and permanently disabled or superannuated members.

A characteristic of these funds is the division of control between the local agency, composed entirely of the workmen employed at or about any colliery in the district covered by the society, and the central or general committee, comprised in part of ordinary and in part of honorary members, and elected at the annual delegate meeting of the society. In brief, it may be stated that the central body manages the funds and directs the general policy of the society, while the local bodies supervise the collection of dues, the payment of benefits, and the conduct generally of members and beneficiaries. These societies are therefore in a sense comparable with friendly societies with branches and share in the advantages gained by such a combination of central and local administration.

The supervision of the member receiving benefits is left to his fellows, who are most likely to have an intimate knowledge of the facts of each case, who are best qualified to detect instances of malingering, and whose natural sympathy for a fellow-worker is sufficiently counterbalanced by having the strongest pecuniary interest in keeping the funds of the society as free from burdens as possible. On the other hand, the supervision and control of the society's general policy are aided by the experience of the men of wealth and of standing in the business world who serve as honorary members on the committee of management.

The actuarial standing of the societies is being gradually established on a firmer basis. When the societies were organized, the reports of the mine inspectors contained the only material from which data bearing on the accident rate could be secured. In making a report to the Monmouthshire and South Wales society, Mr. F. G. P. Neison, an actuary who is regarded as an authority on this subject, found that the experience of this society from 1880 to 1898 brought the risks to the following basis per 1,000 employees:

Fatal accidents will be at the rate of  $3\frac{1}{2}$  per annum.

Accidents of from two to twenty-six weeks' duration are at the rate of 130 per annum and average three and one-half weeks each.

Accidents of over twenty-six weeks' duration occur at the rate of 4 per annum.

The experience of the Lancashire and Cheshire society since 1873 has been as follows:

DEATH RATE FROM ACCIDENT, ETC., IN THE LANCASHIRE AND CHESHIRE MINERS' PERMANENT RELIEF SOCIETY, 1873 TO 1899.

[Source: Report of the Twenty-seventh Annual Meeting of the Lancashire and Cheshire Miners' Permanent Relief Society, pp. 29-31.]

Period of years.	Deaths from accident per annum per 1,000 members.	Per cent of members killed who were married.	Per cent of claimants of those temporarily disabled.	Average duration of claims for temporary disablement (weeks).	Number of new permanent disablement cases per 1,000 members per annum.
1873-1876.....	3.24	59.0	18.0	2.8	2.7
1877-1881.....	3.04	57.0	20.0	3.0	3.3
1882-1886.....	2.56	58.0	19.9	3.4	3.8
1887-1891.....	2.17	58.0	16.2	3.8	3.6
1892-1896.....	1.88	63.0	17.2	4.7	4.7
1897-1899 (June 30).....	1.82	63.0	18.9	4.3	5.7

The same society furnishes tables showing for the two quinquennial periods, 1893 to 1897 and 1904 to 1908, the number of members and of accidents of all kinds and the accident rate per 1,000 members. While the arrangement of the two tables does not admit of strict comparison, it is yet possible, by considering this in connection with the foregoing table, to gain a pretty accurate view of the relations of fatal accidents to those of all kinds, as well as to discover the high rate of accidents existing in mine employment. The table follows.

NUMBER OF MEMBERS AND OF ACCIDENTS AND RATE OF ACCIDENTS PER 1,000 MEMBERS IN THE LANCASHIRE AND CHESHIRE MINERS' PERMANENT RELIEF SOCIETY, 1893 TO 1897 AND 1904 TO 1908.

[Source: Thirty-sixth Annual Report of the Lancashire and Cheshire Miners' Permanent Relief Society, 1909, p. 13.]

Year ending December 31—	Number of—		Rate of accidents per 1,000 members per annum.
	Members.	Accidents during year.	
1893.....	51,451	6,477	127.0
1894.....	55,294	9,028	164.1
1895.....	54,601	9,270	168.5
1896.....	53,412	9,882	186.4
1897.....	53,924	9,972	84.6
1904.....	47,354	10,357	220.3
1905.....	47,393	10,501	223.4
1906.....	49,622	11,407	228.1
1907.....	53,108	13,237	249.7
1908.....	55,448	13,202	240.0

The per capita amount of the burden placed upon the members of the Northumberland and Durham Miners' Permanent Relief Fund and its apportionment to the various funds are shown by the following table, taken from the report of the fund for the year 1907:

COST PER 1,000 MEMBERS OF BENEFITS AND MANAGEMENT IN NORTHUMBERLAND AND DURHAM MINERS' PERMANENT RELIEF FUND, 1897 TO 1907.

[Source: Forty-sixth Annual Report of the Northumberland and Durham Miners' Permanent Relief Fund, 1908, p. 99.]

Year.	Member-ship.	Fatal accidents per 1,000 members.	Payments per 1,000 members on account of—					
			Accidents.			Superan-nuation.	Manage-ment.	Total.
			Fatal.	Nonfatal, causing—				
				Perma-nent dis-ability.	Tempo-rary dis-ability.			
1897.....	124,920	1.6	\$903	\$597	\$695	\$1,407	\$411	\$4,013
1898.....	127,564	1.24	887	610	664	1,449	402	4,012
1899.....	130,552	1.5	890	613	635	1,478	400	4,016
1900.....	137,073	1.44	859	574	579	1,407	396	3,815
1901.....	142,002	1.25	828	539	573	1,371	382	3,693
1902.....	147,269	1.2	790	557	640	1,383	387	3,757
1903.....	152,691	1.15	781	571	648	1,607	395	4,002
1904.....	155,651	1.28	791	609	730	1,804	395	4,329
1905.....	159,914	.99	771	630	764	1,829	387	4,381
1906.....	165,981	1.53	781	642	776	1,829	375	4,403
1907.....	175,740	1.23	756	619	804	1,777	394	4,350
Average.....	147,213	1.31	821	596	683	1,577	393	4,070

The administration of the relief for the permanently disabled miners has caused much difficulty in the operations of the societies, especially since the passage of the workmen's compensation acts, which place upon the employers certain liabilities for accident to their employees. To reduce this liability to a minimum, employers of



mining labor are reported to have generally refused to take any but young, alert men into their service, so that those advanced in years have found it more or less difficult to secure employment. In consequence, whenever an aged or infirm miner met with an accident every effort would be made to have the injury classed as a permanent disablement, with the right to the benefits for that class, practically making an old-age pension out of the disablement allowance. Since the passage of the acts many employers have discontinued their contributions to the relief societies on the ground that the liabilities imposed on them by the acts were sufficient to protect the workmen, and were, in addition, such an unknown quantity that employers could not in justice be expected to assume any further burdens on this score. The situation was further complicated by the withdrawal of a large number of miners from membership in the societies because they considered themselves sufficiently protected by the provisions of these acts.

At the 1900 meeting of the Lancashire and Cheshire society the board of management reported that a serious actuarial deficit existed in the accounts of the society, due entirely to the drain on its funds through the misuse of the permanent disablement allowance. An increase in the dues and a decrease in the benefits was the only remedy, though this action was expected to cause more members to withdraw from the society, an expectation that was temporarily realized, though in recent years the growth has been constant, the membership in 1908 being the greatest in the history of the society. In the year 1900 one other society found itself confronted by a similar deficit, though the reports of the societies generally do not show that they have yet found it necessary to revise their schedules in connection with this part of their operations.

On the other hand, the expenses for the relief of temporary disablement, for the relief of widows and orphans, and for burial allowances, have not exceeded the anticipated rates. The superannuation feature causes a heavy expenditure in the Northumberland and Durham society only, where in 1899 it was £39,667 (\$193,041); in 1903, £50,468 (\$245,602), and in 1907, £64,164 (\$312,254), over one-third of the total receipts for each of those years, while in the West Riding of Yorkshire and the Thorncliffe and Rockingham societies it formed an unimportant part of the annual disbursements. In the case of the Northumberland and Durham society, the superannuation expenditures in 1899 encroached on the invested funds of the superannuation department to the extent of £2,165 (\$10,537). In 1903, as the result of an increase in the superannuation dues, the invested funds of this department showed an increase over the preceding year of £9,635 (\$46,886), and benefits were increased in May of that year from 4s. (97 cents) to 5s. (\$1.22) per week. As a result of the valuation of



1901-1906, the actuary recommended certain changes in view of an increasing deficit, but the society refused to give them favorable consideration.

Owing to the fact that membership in these societies is voluntary, and that they are partially dependent on voluntary contributions from outside sources, it is doubtful if their resources would be sufficient to meet an unusual strain, such as might arise from an accident causing the death of a large number of persons or from a prolonged period of industrial depression. It would enhance the stability of the societies if some plan of reinsurance of risks on a broader basis could be devised. For this purpose meetings of representatives of the societies were held in 1878 and in 1880, which resulted in the organization of the Central Association for Dealing with Distress Caused by Mining Accidents. Since then this association has been joined by all the permanent relief societies, and has been active in promoting the welfare of the societies in many ways. Soon after its organization the society commissioned Mr. Neison to formulate a plan for the reinsurance of risks. The plan which he presented applied to fatal accidents only and provided for the assessment of sums varying between 6d. and 2s. (12 cents and 49 cents) per year on each member, the amount being graduated according to the risk in the various districts. Out of the fund arising from these assessments should be paid to any society the sum of £100 (\$486.65) per death for accidents in which more than five deaths occurred. Though approved in principle, for a variety of reasons the plan was never put into force. Another effort of the Central Association has been directed toward securing for the societies the surplus of those funds which have been contributed by the public on the occasion of great mining catastrophes. Several of these funds have proved to be in excess of the amount required to provide for the dependents of the victims and have left amounts of various sizes, which the trustees of the funds have generally turned over to infirmaries or other institutions for the benefit of miners. It is claimed by the permanent relief societies that it would be a more rational procedure to maintain the surplus of the fund intact and apply the earnings to insuring miners against similar accidents in the future.

#### ORDINARY LARGE SOCIETIES.

A more generalized class of societies is that designated in the report of the commissioners in 1874 as "Ordinary large (or general) societies." These are described as offices for life and sickness insurance, "doing business over the counter" of the home or central office, and devoid of practically all the personal and social features that are associated with the ordinary friendly society. Dues are transmitted to the central office by collectors appointed by the central office; or such

intermediaries may be dispensed with, the members transmitting their dues direct. In some cases unrecognized agents, acting for the members, collect and transmit payments. Where no agents are employed, advertising must be relied upon to secure new members, and the chief inducement to be offered is that of cheapness. The commissioners found that the claim of low cost of management was well substantiated in the best of these societies, their expenses for this object being as little as 6 per cent of the total expenditures in an instance noted. Such societies occupy a middle ground between the societies with social features and ordinary insurance companies. There is a formal measure of control in the hands of the members, but the difficulties attendant on the satisfactory ascertainment of their opinions are so great that the management is practically in the hands of a committee. This is chosen by an annual meeting, open to delegates from each group of members, but being always held in the home city only a very small and much localized proportion of the membership is usually represented. Some of these societies enjoy deservedly good credit, however, and show a prosperous growth.

An example of this class of societies is the "Hearts of Oak Benefit Society" of London, organized in 1842. The policy of this society has not been uniform in respect of the requirements as to membership, either as regards the classes of persons eligible or the amounts of contributions to be paid. While there was a considerable growth during the early decades, extensive changes in the rules and management were made in 1863, which resulted in the rapid popularization of the society, as is shown by the growth that followed. In 1877 restrictions as to amount of wages and nature of employment were incorporated into the rules, which caused something of a reduction in the number of applicants for membership. These restrictions were for the most part eliminated after a trial of ten years, but in 1894 it was decided not to admit miners, and a minimum wage of 24s. (\$5.84) weekly was adopted (provisions which are continued to the present time), though persons entering from the juvenile section of the society are exempt from the wage qualification. Candidates for membership must be over 18 and under 30 years of age and in good health, and after twelve months' membership they become free, i. e., entitled to full benefits, though proportionate amounts are allowed in cases of sickness or death occurring before the end of the year. The benefits granted consist of sick relief, residence in convalescent homes, birth allowance, death allowance for members or members' wives, allowance for imprisonment for debt, relief in distress, and insurance against loss of tools by fire. The entrance fee is 2s. 6d. (61 cents), with a uniform rate of 7s. (\$1.70) per quarter for the sick fund, and a levy according to outgo for other benefits and expenditures. The quarterly contributions average below 10s. (\$2.43), the highest rate in

20 years being 9s. 10½d. (\$2.40) per quarter in 1907 and 1908, and the lowest, 9s. 4½d. (\$2.28) in 1904. The sick benefit is 18s. (\$4.38) per week for the first 26 weeks, 9s. (\$2.19), for the next 26 weeks, and not more than 4s. (97 cents) per week (and relief from payment of contributions) for any further continuance of the same illness. Death benefit for a free member is £20 (\$97.33), and for a free member's wife £10 (\$48.67). The lying-in benefit is £1 10s. (\$7.30), and the insurance of tools not to exceed £15 (\$73). Members imprisoned for debt are allowed 5s. (\$1.22) per week for a limited period. About 50 convalescent homes are available in different parts of the country. Other benefits are subject to arrangement. Aged or afflicted members may upon application withdraw from the society and will receive for their interest such amount of compensation as the executive council may determine.

The society has grown constantly, though not at a uniform rate, both in membership and funds. The table presented below shows the growth of the society by decades, since its origin.

GROWTH OF MEMBERSHIP AND FUNDS OF HEARTS OF OAK BENEFIT SOCIETY, BY DECADES.

[Source: Handbook to the Hearts of Oak Benefit Society, pp. 5-7.]

Year.	Number of mem- bers.	Reserve funds.
1852.....	2,180	\$10,395
1862.....	9,040	124,801
1872.....	32,837	456,672
1882.....	98,873	2,721,965
1892.....	168,732	6,382,113
1902.....	265,536	12,914,732

The facts as to membership and funds are shown below more in detail for the years 1903 to 1908.

MEMBERSHIP OF THE HEARTS OF OAK BENEFIT SOCIETY, 1903 TO 1908.

[Source: Sixty-seventh Annual Statement of the Hearts of Oak Benefit Society, p. 30.]

Year.	Members at begin- ning of year.	Addi- tions.	Losses by—		Net ad- ditions.	Members at end of year.
			Death.	Secession.		
1903.....	265,674	14,860	2,053	6,037	6,770	272,444
1904.....	272,444	15,133	2,110	6,076	6,947	279,391
1905.....	279,391	15,065	2,286	7,809	4,970	284,361
1906.....	284,361	14,361	2,330	6,778	5,253	289,614
1907.....	289,342	15,063	2,488	7,177	5,398	294,740
1908.....	294,740	13,975	2,599	7,712	3,664	298,404

INCOME, EXPENDITURES, AND RESERVE FUND OF THE HEARTS OF OAK BENEFIT SOCIETY, 1903 TO 1908.

[Source: Sixty-seventh Annual Statement of the Hearts of Oak Benefit Society, p. 30.]

Year.	Amount of fund at beginning of year.	Income.			Expenditures.			Addition to reserve fund.	Total reserve fund at end of year.
		Contributions.	Interest.	Sundries.	Benefits.	Management.	Sundries.		
1903....	\$12,898,688	\$2,552,100	\$482,713	\$2,745	\$1,986,890	\$142,034	\$49,697	\$858,937	\$13,757,625
1904....	13,757,625	2,472,761	531,052	2,161	2,157,023	141,406	25,564	681,981	14,439,606
1905....	15,004,300	2,638,490	555,419	2,467	2,214,691	178,167	44,845	758,673	15,782,973
1906....	15,762,973	2,704,664	581,707	1,309	2,313,447	199,239	58,315	716,680	16,479,653
1907....	16,479,653	2,747,256	592,691	1,299	2,430,388	206,198	129,001	575,658	<sup>a</sup> 17,055,306
1908....	17,055,306	2,792,077	619,476	1,119	2,569,541	199,439	68,267	<sup>b</sup> 575,420	17,630,726

<sup>a</sup> According to the data given, this sum should be \$17,055,311; but the amount is reproduced as found in the source quoted.  
<sup>b</sup> According to the data given, this sum should be \$575,425; but the amount is reproduced as found in the source quoted.

The first of the following tables shows the actual sums disbursed for each form of benefit in each year, 1903 to 1908, while the second shows the proportionate and the third the per capita cost of each form of benefit for a term of twenty years:

AMOUNTS PAID BY THE HEARTS OF OAK BENEFIT SOCIETY FOR VARIOUS FORMS OF BENEFIT, 1903 TO 1908.

[Source: Sixty-seventh Annual Statement of the Hearts of Oak Benefit Society, p. 31.]

Year.	Sick pay, first year.	Reduced sick pay.	Lying-in claims.	Funeral benefits.		Loss of tools by fire.	Withdrawing members.	Imprisoned debtors.	Convalescent homes.	Contingent fund.
				Members.	Members' wives.					
1903.....	\$1,356,367	\$125,979	\$228,472	\$193,030	\$66,019	\$4,701	\$9,183	\$29	\$19,675	.....
1904.....	1,487,835	144,535	231,782	202,247	71,450	4,283	10,867	54	20,634	\$161
1905.....	1,513,452	162,862	217,635	220,511	72,730	5,523	15,261	83	24,834	2,170
1906.....	1,593,068	186,402	215,678	223,285	71,572	4,769	13,159	68	25,763	4,862
1907.....	1,667,540	211,556	207,546	240,337	75,513	5,893	15,850	44	23,408	5,085
1908.....	1,755,429	244,887	207,240	249,729	76,764	4,774	20,902	49	23,309	7,076

PER CENT OF EXPENDITURES APPLIED TO VARIOUS PURPOSES BY THE HEARTS OF OAK BENEFIT SOCIETY, 1889 TO 1908.

[Source: Sixty-seventh Annual Statement of the Hearts of Oak Benefit Society, p. 34.]

Year.	Per cent of expenditures applied to—							
	Sick pay, first year.	Reduced sick pay.	Funeral benefits.	Lying-in claims.	Loss of tools by fire.	Manage- ment.	Other pay- ments.	Added to reserve fund.
1889.....	39.75	3.20	9.22	10.59	0.41	3.90	1.27	31.66
1890.....	46.63	3.14	9.93	9.77	.39	3.64	2.13	24.37
1891.....	47.10	3.14	10.58	9.98	.32	4.08	1.54	23.26
1892.....	50.36	3.33	9.54	9.72	.41	4.48	1.36	20.80
1893.....	50.24	3.33	10.28	9.65	.49	4.30	1.35	20.36
1894.....	44.41	3.39	9.01	9.43	.18	5.19	1.31	27.08
1895.....	49.66	3.56	8.73	9.57	.27	5.07	1.32	21.82
1896.....	42.27	3.42	8.71	9.63	.31	5.77	1.60	28.29
1897.....	43.91	3.25	9.13	9.44	.16	5.37	1.27	27.47
1898.....	42.62	3.20	8.50	8.68	.27	5.48	1.24	30.01
1899.....	44.79	3.32	9.45	8.47	.19	5.84	1.56	26.38
1900.....	44.97	3.46	9.98	8.07	.21	5.62	1.03	26.66
1901.....	43.48	3.71	9.26	8.00	.26	4.99	1.58	28.72
1902.....	45.39	3.83	9.54	7.91	.25	4.89	1.47	26.72
1903.....	44.71	4.15	8.54	7.53	.15	4.68	1.92	28.32
1904.....	49.67	4.83	9.14	7.74	.14	4.72	.99	22.77
1905.....	46.38	4.99	8.99	6.67	.17	5.46	4.04	23.30
1906.....	47.48	5.55	8.79	6.43	.14	5.94	4.26	21.41
1907.....	48.71	6.18	9.23	6.07	.17	6.02	4.64	18.98
1908.....	50.33	7.02	9.36	5.94	.14	5.72	4.62	16.87

PER CAPITA COST OF ANNUAL DISBURSEMENTS BY THE HEARTS OF OAK BENEFIT SOCIETY, 1889 TO 1908.

[Source: Sixty-seventh Annual Statement of the Hearts of Oak Benefit Society, p. 34.]

Year.	Sick pay, first year.	Reduced sick pay.	Funeral benefits.	Lying-in claims.	Manage- ment.	Other pay- ments.	Total.
1889.....	\$4.44	\$0.38	\$1.03	\$1.18	\$0.43	\$0.14	\$7.60
1890.....	5.25	.38	1.12	1.09	.41	.12	8.37
1891.....	5.29	.38	1.18	1.12	.45	.14	8.56
1892.....	5.52	.39	1.03	1.05	.49	.12	8.60
1893.....	5.49	.39	1.12	1.05	.47	.14	8.66
1894.....	4.85	.41	.97	1.01	.55	.12	7.91
1895.....	5.43	.41	.95	1.06	.55	.14	8.54
1896.....	4.62	.41	.95	1.06	.63	.18	7.85
1897.....	4.85	.37	1.01	1.03	.59	.12	7.97
1898.....	4.95	.39	.95	.97	.61	.12	7.99
1899.....	5.03	.41	1.07	.95	.65	.18	8.29
1900.....	5.15	.40	1.14	.91	.63	.14	8.37
1901.....	4.93	.45	1.03	.89	.55	.14	7.99
1902.....	5.05	.47	1.05	.87	.55	.14	8.13
1903.....	5.11	.49	.95	.85	.53	.14	8.07
1904.....	5.44	.55	.99	.83	.51	.14	8.46
1905.....	5.42	.59	1.03	.77	.63	.18	8.62
1906.....	5.56	.65	1.08	.75	.69	.16	8.84
1907.....	5.74	.73	1.07	.71	.71	.22	<sup>a</sup> 9.14
1908.....	5.92	.83	1.10	.69	.67	.30	9.51

<sup>a</sup> According to the data given this sum should be \$9.18, but the amount is reproduced as found in the source quoted.

The contingent fund shown in the first table of the above group of three is of recent establishment, and is provided by a special contribution of a penny (2 cents) per member per year as a separate fund to be used for the purpose of assisting members in distress.

No provision is made for superannuation, properly speaking, though the arrangement by which aged or afflicted members may receive a lump sum in exchange for accrued rights to funds slightly

suggests old-age insurance, though it may result in fact in the separation of a member from the society at a time when he is in the greatest need of succor. The system of reduced sick pay is more nearly a benefit of this type, as it is allowed to members above 60 years of age who are unable to earn more than 12s. (\$2.92) per week; also to members above 50 years of age who have been on the reduced sick list continuously for not less than one year and who can furnish satisfactory evidence of their inability to earn more than 12s. (\$2.92) per week. The amounts allowed are 2s. (49 cents) per week to members of less than six years' standing, 3s. (73 cents) to members of six and under eight years' standing, and 4s. (97 cents) to members of a standing of eight years and over. No change in the rate of allowance will be made after a member has gone on the reduced sick list.

The importance of the question of sick pay is evident from an examination of the tables showing the percentage and the per capita cost of disbursements, this benefit alone having demanded uniformly since 1903 more than 50 per cent of the total income, while the per capita cost reached its maximum of \$6.75 in 1908. Sick visitors are appointed for the purpose of seeing that sick pay is properly distributed and that the society is not being imposed upon. A system of official visitation was established in 1899 in an effort "to relieve the members of an irksome obligation" and "to reduce, if possible, our excessive sickness experience." The general-purposes committee of the delegate meeting of 1908 reported that the first object had been attained, but that the new system of visitation had not materially reduced the sickness experience. This fact was attributed to the longer duration of the cases of sickness and the increased age of the membership. It would seem; however, that the first reason given was merely a consequence of the second, and it was so regarded by the president in his annual address of the same year, in which he notes the increase of payments for reduced sick allowance at a rate of over £5,000 (\$24,333) per annum, while the actuary reporting on the sick fund showed a net loss of £39,370 (\$191,594) during the year 1907 and took occasion to "again urge upon the members the necessity of taking effective measures for the reduction of the excessive sickness claims, if the society is to be maintained in a state of solvency."

The principal facts as to sick pay during the ten years 1899 to 1908 are shown in the following table:

SICKNESS BENEFITS PAID BY THE HEARTS OF OAK BENEFIT SOCIETY, 1899 TO 1908.

[Source: Sixty-seventh Annual Statement of the Hearts of Oak Benefit Society, p. 31.]

Year.	Beneficiaries.	Weeks of sickness.	Total paid.	Average per member.	
				Weeks of sickness.	Amount paid.
1899.....	67,341	373,870	\$1,269,996	1.60	\$5.43
1900.....	67,913	400,674	1,333,470	1.65	5.56
1901.....	64,938	409,418	1,332,983	1.63	5.37
1902.....	68,629	437,506	1,433,744	1.68	5.52
1903.....	68,432	463,254	1,482,346	1.73	5.60
1904.....	73,048	516,734	1,632,370	1.87	5.98
1905.....	74,099	539,398	1,676,315	1.92	6.00
1906.....	78,862	586,162	1,779,470	2.04	6.20
1907.....	82,533	631,130	1,879,097	2.16	6.47
1908.....	86,275	685,789	2,000,316	2.31	6.75

In commenting, at the annual conference of 1909, on the report for 1908, the chairman of the general-purposes committee compared present insurance conditions with those of twenty-five years ago and said that the situation to-day was a more difficult one to meet on account of the keenness of competition and the more rapid industrial pace. It was a question whether the factory act had been as beneficial as was sometimes supposed. Hours were shorter, but the pace had increased out of all proportion to that reduction. The conditions of the skilled artisan were so much changed that the average worker was put out of action more frequently than was the case in less strenuous days. Unemployment affected them. Over and over again they had to deal with sickness solely the result of unemployment. The members became genuinely ill as the result of loss of wages following prolonged unemployment.



This society furnishes a report for the year of 1907 showing, by age, the number of members insured for sick pay, the number who received such pay and the period of such receipt, the number of losses by death and by other causes, and the total membership insured at the end of the year. The table follows:

STATISTICS OF SICKNESS AND MORTALITY IN THE HEARTS OF OAK BENEFIT  
SOCIETY, BY AGE OF MEMBERS, 1907.

[Source: Hearts of Oak Benefit Society. Return of Sickness and Mortality, 1907, pp. 8 and 9.]

CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1591

STATISTICS OF SICKNESS AND MORTALITY IN THE HEARTS OF OAK BENEFIT SOCIETY, BY AGE OF MEMBERS, 1907—Concluded.

Age.	Num-ber in-sured at begin-ning of year.	En-trants to fund during year.	Members on sick fund during the year.										Losses in insured member-ship during year by—		Num-ber in-sured at end of year.
			Total.	Full pay.		Half pay.		Reduced pay.							
				No.	Term.		No.	Term.		No.	Term.				
					Wks.	Dys.		Wks.	Dys.		Wks.	Dys.	D'th.	Other causes.	
36	10,614	.....	2,746	2,692	10,697	1	76	752	5	50	1,729	2	50	201	10,363
35	11,208	.....	2,968	2,899	11,224	4	92	889	2	58	1,682	1	58	286	10,864
34	11,245	.....	2,988	2,943	11,089	.....	78	822	1	35	1,132	2	50	306	10,889
33	11,411	.....	2,942	2,911	10,857	1	78	880	4	31	756	1	38	322	11,051
32	11,971	.....	3,118	3,084	11,617	5	53	488	4	25	747	1	39	400	11,532
31	12,593	.....	3,238	3,207	12,176	2	85	841	.....	31	765	5	66	407	12,120
30	10,772	2,069	2,828	2,807	10,309	2	52	575	3	21	455	.....	43	428	12,370
29	10,219	927	2,714	2,684	9,519	3	56	610	1	25	804	2	41	427	10,678
28	9,770	894	2,560	2,547	9,271	5	47	466	.....	13	357	5	22	435	10,207
27	8,485	1,425	2,194	2,182	7,604	3	42	383	5	11	205	4	18	442	9,450
26	7,328	1,344	1,926	1,911	7,024	.....	44	424	3	15	267	1	28	424	8,220
25	5,967	1,349	1,552	1,545	5,331	.....	30	355	2	7	88	4	14	378	6,924
24	4,874	1,370	1,273	1,266	4,432	2	20	163	.....	6	88	3	14	336	5,894
23	3,900	1,421	1,018	1,014	3,640	2	17	151	.....	2	53	2	9	290	5,112
22	2,731	1,439	818	815	2,889	.....	15	128	4	1	13	3	6	184	3,980
21	976	1,819	413	412	1,354	.....	4	45	4	2	53	4	5	88	2,702
20	340	608	134	133	421	3	1	26	.....	1	18	3	1	25	922
19	.....	398	41	41	119	4	.....	.....	.....	.....	.....	.....	.....	10	388
Total.	289,342	15,063	82,533	76,980	356,677	1	4,405	52,807	4	5,501	221,645	2	2,488	7,177	294,740

The above table clearly demonstrates the correctness of the statement that the system of reduced pay closely approximates a provision for old-age pensions, inasmuch as of the 253 members aged 80 years and over, 230 or 90.9 per cent were recipients of sick benefits, 188 of these, or 74.3 per cent of the total, being on reduced sick pay. A similar calculation for members between 70 and 79 years of age shows 2,270 in the group, of whom 1,584, or 69.8 per cent, were on the sick roll in 1907; 937 of these, or 41.3 per cent of the total, were on the reduced pay list, showing a disability of more than one year's duration.

SOCIETIES WITH BRANCHES.

The remaining form of associations to be noted is what are known as the affiliated societies or workingmen's orders, sometimes called the great orders, and these are the most important of the friendly societies. With a central body having branches extending, in many cases, into every part of the United Kingdom, they compete successfully with the local clubs, so that it was said in 1874 that they had made a clean sweep of the local societies in some towns, while they predominate in all; and "in the country districts they establish themselves wherever and so soon as a dozen or a score of artisans find themselves within living reach of each other and in want of a club."

In a larger sense the term affiliated societies includes all those consisting of district branches united by a common organization, but the predominant type is governed by a central organized body, usually the creation of the representatives of the whole society gathered in annual meeting, the place of meeting being sometimes the same from year to year, and sometimes movable. They undertake to combine the advantages of local and centralized organizations, the branches or local lodges being financially independent so far as the sick pay is concerned, but interdependent within the limits of fixed "districts" so far as the liability for burial money or death benefits is concerned. Over and including the districts is the "unity" or central body, which is occupied with the administration of certain matters of discipline and auditing rather than with the administration of funds in any general sense, though there is a central fund in the charge of the central body, to which each local or district branch must contribute.

This form of benefit club [says Sir G. Young, quoted in the Fourth Report of the Friendly Societies Commission of 1871, p. xxv] appears to have been first worked out by the Odd Fellows, Manchester Unity, and since it is the undisputed invention of men belonging to the class for whom benefit societies are intended, it is important to point out how admirably it is adapted to meet the primary requisitions of a good system of thrift, as thrift is understood by the members of that class in England. I find it to be universal that the first benefit desired by the working man from his club is the weekly provision in case of sickness. The second is with equal unanimity declared to be the sum at death, to clear off standing scores, pay funeral expenses, and assist a widow or children through the first days of bereavement. \* \* \* Taking these two to be the primary objects of a benefit club, the chief difficulties encountered in securing them are, in the first case, imposition; in the second, insufficient numbers to form a basis of insurance. The mischief which may be done by imposition and by lax administration which accompanies it, is best guarded against by confining the sick club to a small area within which the members know each other, and each can watch his neighbor, while the intenser personal interest which they naturally take in a fund locally subscribed insures that the supervision shall be stricter. A small area may be sufficient to form a basis for sick pay, while insufficient to insure burial money, because the payments are smaller, in the proportion of shillings to pounds, and are distributed among a larger number of the members. In the case of burial benefits the risk requires a larger area, which is found in the "district" of the affiliated orders.

These administrative methods furnish probably the fundamental reason for the great success of these orders, though the social and ritual features are no doubt also strongly persuasive. An attractive feature socially is the recognition of the members of one branch by those of another branch while absent from home for any reason. The local branch has the power of fixing the number or classes of benefits that it will pay, the rates of payment required from members, the cost

of management, etc., so that the control of the higher bodies is largely by way of moral influence. Certain material advantages in the way of audit, of relief in insolvency, and other privileges, constrain the local branches to conform to the suggestions of the districts and central bodies, while the power of suspension or expulsion lies in the hands of each superior body for its immediate constituent bodies. A local branch may belong immediately to a central body without the intervention of a district organization.

The principle of equalization as applied in the matter of death benefits in a district may be extended to other features of the society's work, and the commission of 1871 noticed a tendency toward a stronger centralization of responsibility, necessitating also a centralization of control, which tendency, however, is limited by the existence of the local branches, thus clearly distinguishing the affiliated societies from the ordinary friendly societies noted above. Then, too, the local organizations have the power of secession, which has been frequently exercised. Branches that have seceded or have been expelled are prohibited the use of the name of the society from which they have separated. The amalgamation of two or more societies and the conversion of an independent organization into a branch are other changes that may take place in the relations of these bodies.

The wide distribution of societies with branches is evidenced by the report of the chief registrar for the year 1906, which shows, for Great Britain and Ireland, 20,144 affiliated societies and branches furnishing the statutory returns for the year 1905, as against 6,773 ordinary friendly societies. The membership of the former, however, does not come up to the total membership of the latter, the same report showing 2,673,246 members of affiliated societies and branches, as against 3,226,672 members of ordinary friendly societies.

Two great orders compete for the leadership in their class, the Independent Order of Odd Fellows, Manchester Unity, having 4,196 registered branches at the close of 1905, of which 4,187 with 755,221 members made returns, and the Ancient Order of Foresters, having at the same date 4,158 branches, of which 4,125 with 659,501 members made returns; while the Independent Order of Rechabites, Salford Unity, though not yet of the magnitude of the two foregoing societies, is by its present rank and especially by its consistent and rapid growth contemporaneously with a decline in the membership of the other two, entitled to mention in this connection. The magnitude and importance of registered friendly societies and of the more prominent societies with branches appear from the following summary tables. By the expression "ordinary friendly societies" is meant independent societies separately registered.

NUMBER, MEMBERSHIP, AND FINANCIAL OPERATIONS OF REGISTERED FRIENDLY SOCIETIES AND OF THREE PRINCIPAL SOCIETIES WITH BRANCHES, REPORTING FOR THE YEAR 1905.

[Source: Reports of the Chief Registrar of Friendly Societies, 1906. Part A., Appendix N, Section XI, pp. xxii, xxvi, and 14-17.]

Items.	Registered friendly societies.			Principal societies with branches.		
	Ordinary friendly societies.	Societies with branches.	Total.	Independent Order of Odd Fellows, Manchester Unity.	Ancient Order of Foresters.	Independent Order of Rechabites, Salford Unity.
Number of returns received...	6,773	20,144	26,917	4,187	4,125	2,534
Number of members at end of year.....	3,226,672	2,673,246	5,899,918	755,221	659,501	205,789
<b>RECEIPTS.</b>						
Benefit fund:						
Contributions (including medical aid).....	\$12,423,888	\$14,771,477	\$27,195,365	\$4,694,051	\$4,060,720	\$1,020,957
Other receipts.....	3,778,618	4,164,240	7,942,858	1,930,321	1,322,948	169,817
Total.....	16,202,506	18,935,717	35,138,223	6,624,372	5,383,668	1,190,774
Management fund:						
Contributions.....	1,607,152	2,236,074	3,843,226	625,851	521,752	158,974
Other receipts.....	300,711	244,045	544,756	61,688	63,843	28,362
Total.....	1,907,863	2,480,119	4,387,982	687,539	585,595	187,336
Total receipts.....	18,110,369	21,415,836	39,526,205	7,311,911	5,969,263	1,378,110
<b>EXPENDITURES.</b>						
Benefit fund:						
Sickness (including medical aid).....	7,967,663	11,882,898	19,850,561	3,947,914	3,389,035	723,624
Death benefits.....	1,877,447	2,336,596	4,214,043	733,747	682,858	71,197
Other benefits (a).....	1,795,145	285,318	2,080,463	94,843	74,341	6,711
Other payments (b).....	1,585,544	251,944	1,837,488	111,370	61,444	20,293
Total.....	13,225,799	14,756,756	27,982,555	4,887,874	4,207,678	821,825
Management fund:						
Expenses of management.....	1,673,682	2,300,214	3,973,896	655,065	553,263	179,596
Other payments.....	51,171	143,173	194,344	44,557	24,644	12,962
Total.....	1,724,853	2,443,387	4,168,240	699,622	577,907	192,460
Total expenditures.....	14,950,652	17,200,143	32,150,795	5,587,496	4,785,585	1,014,285
<b>FUNDS AT END OF YEAR.</b>						
Benefit fund.....	86,444,136	114,741,524	201,185,660	52,617,479	34,918,427	5,050,770
Management fund.....	1,428,503	1,511,817	2,940,320	465,656	249,924	104,790
Total.....	87,872,639	116,253,341	204,125,980	53,083,135	35,168,351	5,155,560

<sup>a</sup> This item includes old-age pay, annuities, distress relief, and all other benefits of an individual character.

<sup>b</sup> This item includes funds divided among the members and payments to, or on behalf of, the members generally.

Of the amount paid out as benefits by the registered friendly societies the sum of \$19,850,561 was for sickness pay, and \$4,214,043 for sums at death. Ordinary friendly societies reported payments for old-age pensions to the amount of £163,923 (\$797,731), and societies with branches, for the same purpose, £3,950 (\$19,223), though no doubt large additional amounts were paid out by both classes as continuous or permanent sick pay. It should be constantly kept in mind, too, that sick pay covers payment for disability occasioned by accident.

The total contributions for the year 1905 of the 5,899,918 persons constituting the registered friendly societies of the United Kingdom reporting were \$31,038,591, while the total accumulated funds amounted to \$204,125,980. The number of unregistered societies is almost as large as the number of registered societies though no doubt the more important are registered, so that it would be entirely unsafe to assume that the total operations of friendly societies represent twice these sums.

The operations of the principal affiliated orders are closely comparable to those of the accumulative societies among the ordinary friendly societies, while attention has been directed to a very considerable variety of objects and methods pursued by the different independently registered societies. The next table is based on a classification of ordinary friendly societies in three groups—ordinary accumulative societies, burial societies, and dividing societies—societies with branches being given separately. The ordinary friendly societies are further classified as societies admitting both sexes, those admitting males only, and those admitting females only. The average annual contribution per member and the average amount derived from other sources, per member, together with the per cent of income applied to benefits, management, etc., and the per cent saved are shown in the following table under the various groups, according to the composition of the societies.

**AVERAGE ANNUAL INCOME FROM CONTRIBUTIONS AND FROM OTHER SOURCES PER MEMBER, OF ORDINARY FRIENDLY SOCIETIES, AND APPLICATION OF SUCH INCOME, BY CLASSIFICATION, 1905.**

[Source: Reports of the Chief Registrar of Friendly Societies, 1906. Part A, Appendix N, Section XI, p. xxiv.]

Classification.	Number of—		Income per member derived from other sources.	Average annual contribution per member.	Per cent of income applied to—					
	Returns.	Members.			Sickness pay.	Sums at death.	Other benefits.	Other payments.	Management.	Accumulated funds.
<b>Ordinary friendly societies of—</b>										
Both sexes:										
Accumulative societies.....	687	627,664	\$4.93	\$2.03	45.0	7.5	6.2	6.7	10.0	24.6
Burial societies.....	263	715,936	.97	.26	.8	48.4	.4	2.1	20.4	27.9
Dividing societies..	133	78,653	2.98	.18	15.4	13.3	.....	63.3	8.8	a.8
Males only:										
Accumulative societies.....	3,006	1,366,434	6.08	1.76	50.8	8.3	13.8	2.9	7.9	16.3
Burial societies.....	120	48,500	2.07	.89	1.3	51.2	2.1	1.3	10.8	33.3
Dividing societies..	1,241	168,638	7.91	.57	27.9	6.3	.8	51.7	10.4	2.9
Females only:										
Accumulative societies.....	222	26,243	3.18	1.10	40.2	10.4	8.3	5.8	10.0	16.3
Burial societies.....	44	6,770	2.19	.28	1.7	77.1	.....	.8	14.6	5.8
Dividing societies..	46	15,368	3.63	.10	15.0	22.9	2.1	50.0	7.1	2.9
Juvenile members.....	1,005	132,913	1.74	.28	49.6	3.7	5.4	7.5	19.6	14.2
Societies with branches.....	20,144	2,673,246	6.37	1.64	55.4	10.8	1.3	1.3	11.2	20.0

\* Excess of payments over income for year.

In the above table, and in cases where the terms are used in similar connections, the term "contributions" includes dues, levies, and entrance fees; "other receipts" includes interest, rents, fines, honorary members' subscriptions, donations, etc.; "sickness pay" includes medical and other aid to sick and disabled employees, and physician's salary; "sums at death" covers insurances and burial expenses; "other benefits" comprehends all other forms of relief of an individual character, as annuities, old-age pay, maternity benefits, etc.; and "other payments" represents withdrawals of deposits accounts, funds divided, donations to charitable institutions, for the support of convalescent homes, and other expenditures affecting the members generally.

Reference has been made to the wide prevalence of the practice of juvenile insurance, and to the effect on many societies of the advancing age of members. The following table shows the number and percentage of members of all friendly societies in 1899 and 1905, by age groups:

NUMBER AND PER CENT OF MEMBERS OF REGISTERED FRIENDLY SOCIETIES IN GREAT BRITAIN AND IRELAND, BY AGE GROUPS, 1899 AND 1905.

[Source: Reports of the Chief Registrar of Friendly Societies, 1906. Part A, Appendix N, Section XI, p. xx.]

Age group.	Number of members.		Per cent of total membership.	
	1899.	1905.	1899.	1905.
Under 16 years.....	362,501	535,346	6.9	9.1
16 and under 20 years.....	358,321	420,902	6.9	7.1
20 and under 50 years.....	3,521,876	3,821,282	67.5	64.8
50 and under 65 years.....	761,485	865,909	14.6	14.7
65 years and over.....	213,078	256,479	4.1	4.3
Total.....	5,217,261	5,899,918	100.0	100.0

This table shows an increase of 13.1 per cent in total membership during the six years considered, the group "20 and under 50 years," comprising about two-thirds of the whole number, having grown 8.5 per cent. The juvenile membership increased 47.7 per cent, and the aged membership, "65 years and over," increased 20.4.

The table following shows the general trend as to membership, contributions, and application of receipts, expressed in a percentage form.



CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1597

GAINS AND LOSSES IN MEMBERSHIP, PER CAPITA CONTRIBUTIONS, AND APPLICATION OF RECEIPTS FOR ORDINARY FRIENDLY SOCIETIES AND SOCIETIES WITH BRANCHES, FOR CERTAIN YEARS.

[Source: Reports of the Chief Registrar of Friendly Societies, 1906. Part A, Appendix N, Section XI, p. xxiv.]

Item.	Ordinary friendly societies.				Societies with branches.			
	1885.	1899.	1905.	Gain (+) or loss (—) 1905 com- pared with 1885.	1886.	1899.	1905.	Gain (+) or loss (—) 1905 com- pared with 1886.
Per cent of members—								
Entering.....	8.73	8.42	7.96	— 0.77	8.39	8.41	7.63	— 0.76
Dying.....	1.48	1.27	1.05	— .43	1.20	1.24	1.16	— .04
Withdrawing, etc.....	5.15	4.97	5.41	+ .26	5.36	5.34	6.18	+ .82
Average per capita contribution....	\$3.49	\$4.16	\$4.38	+\$0.89	\$7.62	\$6.55	\$6.37	—\$1.25
Per cent of receipts expended in—								
Benefits.....	75.54	74.69	73.03	— 2.51	73.66	71.38	68.91	— 4.75
Management.....	9.70	9.15	9.52	— .18	12.57	12.54	11.41	— 1.16
Saved.....	14.76	16.16	17.45	+ 2.69	13.77	16.08	19.68	+ 5.91

This table shows that while there is a continuing growth, its rate is less rapid in 1905 than in 1885 and 1886, according to the data shown for these years. The movement is the same for both classes of societies except in the matter of per capita contributions, which increased in the case of ordinary friendly societies and diminished in the case of the affiliated orders. The actual growth in members of ordinary friendly societies reporting was from 2,807,823 in 1899 to 3,226,672 in 1905, or a growth of 14.9 per cent in the 6 years, while the growth during the same period for societies with branches reporting was from 2,409,438 members to 2,673,246, or a gain of 10.9 per cent. This is a substantial growth, though from the table above it appears that the net growth of ordinary friendly societies in 1885 was 2.10 per cent of the membership; in 1899, 2.18 per cent, and in 1905, 1.50 per cent. Looking at the same facts for societies with branches, the net growth in 1886 was 1.83 per cent of the membership and the same in 1899, falling to 0.29 per cent in 1905.

The question has been raised whether the enactment of the compensation acts would not weaken the efforts of the working people to provide for their needs by their own providence. Such an effect has been anticipated from the operation of the old-age pension act, but it is too early to present statistical proof of any kind of an effect. From the general trend of the movement there would seem to be a measure of support for the view that the compensation acts have affected the growth of friendly societies. Such an effect is not strongly marked as yet, however, as is indicated from data covering the period of the existence of the compensation acts. As representative available data, that of registered ordinary friendly societies and the three principal orders are shown for the years 1897 to the latest date for which reports are at hand. The table following shows membership and accumulated funds, except that for the orders only male members are shown and funds belonging to female and juvenile branches are excluded.

MEMBERSHIP AND ACCUMULATED FUNDS OF REGISTERED ORDINARY FRIENDLY SOCIETIES AND ADULT MALE MEMBERS AND ACCUMULATED FUNDS OF THE PRINCIPAL AFFILIATED ORDERS FOR CERTAIN YEARS.

[Source: Twelfth Abstract of Labor Statistics of the United Kingdom, pp. 179, 180, and 182.]

Year.	Ordinary friendly societies.		Odd Fellows, Manchester Unity.		Ancient Order of Foresters.		Rehabiles, Salfrid Unity.	
	Members.	Funds.	Members. (a)	Funds. (b)	Members. (a)	Funds. (b)	Members. (a)	Funds.
1897..	5,107,724	\$145,677,948	698,328	\$40,180,204	656,919	\$25,926,162	119,169	\$3,840,000
1902..	5,608,802	177,367,155	752,159	48,146,586	661,041	31,445,440	152,505	3,900,000
1905..	5,899,918	204,125,980	754,239	53,938,724	651,681	35,030,941	175,639	4,970,000
1907..	(c)	(c)	753,709	57,028,426	630,020	37,370,389	192,502	5,670,000

a Exclusive of foreign branches.  
b Exclusive of foreign branches and of "female" and "juvenile" funds.  
c Not reported.

A statement showing the number of societies, the total and average membership, and the total and per capita funds of ordinary friendly societies making returns for 1905, grouped in classes according to their size for each of the principal divisions of the United Kingdom, concludes this summary presentation of the importance of the agency of the industrial classes in the matter of self-help and mutual protection.

TOTAL AND AVERAGE MEMBERSHIP AND TOTAL AND PER CAPITA FUNDS OF ORDINARY FRIENDLY SOCIETIES MAKING REPORT FOR 1905, BY SIZE AND BY TERRITORIAL DIVISIONS.

[Source: Reports of the Chief Registrar of Friendly Societies, 1906. Part A, Appendix N, Section p. 154.]

Classification.	Number of societies making returns.	Membership.		Funds.	
		Total.	Average.	Total.	P cap
ORDINARY FRIENDLY SOCIETIES.					
England and Wales:					
Under 1,000 members.....	6,093	771,253	127	\$30,026,139	
1,000 and under 2,000 members.....	121	174,698	1,444	4,523,383	
2,000 and under 5,000 members.....	87	270,215	3,106	7,678,193	
5,000 members and over.....	81	1,857,390	22,931	41,749,762	
Total.....	6,382	3,073,556	482	83,977,477	
Scotland:					
Under 1,000 members.....	219	40,939	187	1,878,367	
1,000 and under 2,000 members.....	13	19,041	1,465	939,244	
2,000 and under 5,000 members.....	6	18,484	3,081	218,925	
5,000 members and over.....	3	30,304	10,101	205,663	
Total.....	241	108,768	451	3,242,199	
Ireland:					
Under 1,000 members.....	139	21,838	157	617,102	
1,000 and under 2,000 members.....	5	6,618	1,324	21,325	
2,000 and under 5,000 members.....	6	15,892	2,649	14,536	
Total.....	150	44,348	296	652,963	
Grand total.....	6,773	3,226,672	476	87,872,639	
Societies with branches.....	20,144	2,673,246	133	116,253,341	

*Independent Order of Odd Fellows, Manchester Unity.*

Without attempting to review the growth of the orders as a class, the Manchester Unity, the most prominent representative of this group, may be considered briefly. As a distinctive body it dates from about the year 1810, minutes of lodges of the Manchester Unity for the year 1814 being in existence.

Whatever measure of success attended the earlier efforts of the unity must be attributed to other influences than the power of legal restraint, since in 1836, in a suit for the recovery of dues by expelled members, the order was declared to have no legal status. This condition was not remedied until 1850, when the funds of the lodges were for the first time brought within the protection of the law of the land.

A resolution calling for annual financial statements from subordinate lodges was adopted in 1844 in the face of great opposition, but recalcitrant lodges disobeyed, suffering the penalty of suspension, nearly 16,000 members being thus debarred for a time from fellowship with the unity. The disclosures as to financial conditions led to efforts to regulate the maintenance of adequate funds, and a large number of lodges withdrew, forming subsequently the National Independent Order of Odd Fellows. These various difficulties, together with other causes, led to a large reduction of numbers, the membership falling from 249,261 in 1848 to 234,490 in 1849, and to 224,878 in 1850.

At this time an actuarial basis of the order was being determined by the preparation of tables based on the returns of the society for the three years 1846 to 1848. The registration of rules likewise began in 1851. Contributions graduated according to ages superseded uniform contributions, by the action of the annual committee of 1853, thus taking a most important step toward securing the solvency of the lodges. These changes, together with the previously adopted requirement of a separation of benefit funds from others, went far toward accomplishing what had been the object of a farseeing group of members for a number of years, though their efforts could not even then be relaxed, as appears more fully in the account of the various inquiries and computations made in the effort to secure correct actuarial data for the guidance of the order.

An effort was made to register a rule adopted by the annual conference of 1862 to the effect that the rules of the unity should "be binding on every branch and every member of the society," but the registrar refused registration, and this effort at uniformity for the sake of safeguarding the various branches was thwarted until after the report of the royal commission of 1871. The need of such a rule was made more evident than ever before at the time of the first general valuation of the society in 1871, which showed a total deficiency

in the order of £1,360,677 (\$6,621,735), while the few societies showing a surplus could foot up a total surplus of but £17,230 (\$83,000). The principles of valuation were so misconceived by many societies that it was almost impossible to convince them of their true condition since they were satisfied with mere current solvency, disregarding the effect of contracts to mature when increased ages would involve heavier expenditures for benefits promised. In spite of these facts the royal commission commended the Manchester Unity as foremost among the orders by reason of the successive steps taken to attain financial security.

Effectiveness is now given to the acts of the annual movable conference by a rule which provides that "Every branch of this society and every member thereof, shall be bound by these rules, and by amendment thereof duly registered, which amendment shall apply to all members, present or future, and whether in actual receipt of benefit or not at the time such amendment is registered." Rates of contributions and benefits must follow one or more of the tables published by the unity, "or some other table or tables which have been certified by the actuaries of the order, and sanctioned by the majority of directors." Centralization is not extended so far as to prohibit secession, but the method of secession is prescribed, and it has been established by the courts that the procedure thereby established must be complied with before a seceding society can set itself up independently of the order. These requirements, in so far as they are likely to give rise to difficulty in their enforcement, relate to the adjustment of the financial relations existing between the central body and a seceding branch.

The numerical growth of the Manchester Unity has not been without its fluctuations, as already indicated, but it has been in the main steady and at times rapid. From its origin in the early part of the second decade of the last century, it grew to a membership of 3,000 in 1832; twenty-five years later it had increased to 229,049. On January 1, 1870, there were 434,100 members; January 1, 1893, 593,850; January 1, 1900, 819,567; and on January 1, 1908, 879,000.

In regular course an individual member belongs to a lodge; and the lodges form districts, from which representatives, known as deputies, are chosen to constitute the governing body of the order at its annual movable conference. In cases of insolvency of lodge or of their expulsion or secession, their members who fulfill or comply with certain prescribed conditions may become district members. Also, where a district closes and divides its funds, secedes, or is expelled, its members may be attached directly to the unity. The relation of the various constituents to the unity may be briefly indicated by noting the objects to be attained by each. Thus, the objects of the society are declared to be—

To provide by entrance fees, contributions of the members, fines, donations, levies, and interest on capital—

(a) For insuring a sum of money to be paid on the death of a member, or for the funeral expenses of a member's wife or child, or the widow or children of a deceased member.

(aa) For insuring a sum of money to be paid on the birth of a member's child.

(b) For the relief or maintenance of the members, or in the cases hereinafter, or in the rules of any branch provided, the wives, children, fathers, mothers, brothers or sisters, nephews or nieces, or wards being orphans of members, during sickness or other infirmity, whether bodily or mental, in old age, or in widowhood.

(c) For the relief or maintenance of the orphan children of members during minority.

(d) For providing proper medicine and medical attendance for members.

(e) For granting temporary assistance to the widows and children of deceased members.

(f) For providing members with assistance when traveling in search of employment.

(g) For assisting members when in distressed circumstances and for making grants to members who may be incapacitated by accident from following their usual employment.

(h) For assisting branches unable to meet their engagements.

(i) And for the endowment of members at any age.

A district that may be assumed to be fairly representative provides in its rules as follows:

The objects of the district shall be to raise funds by contributions, levies upon lodges, interest on capital, fines, donations, and by such other means as the rules provide—

(a) For insuring a sum of money to be paid on the death of a member and for the funeral expenses of a member's wife or the widow of a deceased member.

(b) For rendering assistance in sickness to district members.

(c) For assisting members when on travel in search of employment.

(d) For granting temporary relief to lodges and members when in distressed circumstances.

These are to be "carried into effect in conformity with and subject to the general rules of the order."

Next in course comes the lodge. One of the 18 lodges of the district above-mentioned has as its third rule the following:

The objects of the lodge shall be to raise a fund by entrance fees, subscriptions of the members, fines, levies, donations, and by interest on capital, for insuring relief in sickness, also for insuring a sum of money to be paid on the death of a member or for the burial expenses of a member's wife or widow; for granting assistance to the widows and children of deceased members; for providing members with assistance when traveling in search of employment; and for assisting members in distressed circumstances, which objects must be effected in conformity with and subject to the general rules of the order and of the district as well.

The payments and benefits in the subordinate lodges are determined by the district, and in the case in hand they conform to single one of the tables prepared by the actuaries of the society. The district is comprised of 18 lodges, and had on December 31, 1905, 5,374 members, of whom 24 were district members. The lodge whose rule is quoted above had 487 members, of whom 113 received sick pay during the year. The occupations of those sick are given, and it will be of interest to note in passing that 41 of them were textile workers, 28 were engaged in trades and mechanical employments, 20 in domestic and clerical pursuits, 3 were policemen, 1 was a postman, 1 was employed in personal service, and 12 were laborers—a showing supporting the claim that the Manchester Unity is essentially a workman's order. Sickness was distributed as follows: 420 weeks and 4 days during first 26 weeks' sickness, calling for a benefit of 10s. (\$2.00) per week, or a total of £210 5s. 0d. (\$1,023.18); 49 weeks and 5 days during second 26 weeks' sickness, when a weekly benefit of 5s. (\$1.00) was paid, or a total of £12 9s. 2d. (\$60.63); and 189 weeks of reduced pay (after 52 weeks of sickness), at 2s. 6d. (\$0.61) per week, amounting to £23 12s. 6d. (\$114.97); the grand total being £246 6s. 0d. (\$1,198.78).

The financial relations of the lodge and its superiors may be seen in some measure from the fact that out of a total expenditure for sick pay and funeral funds during the year, amounting to £428 6s. 0½d. (\$2,084.32) £78 19s. 5½d. (\$384.32) went to the district funds and £1 19s. 0d. (\$9.71) to the unity funds, while the lodge was recouped by the district in the amount of £96 (\$467.18), funeral expenses repaid. In the management account the lodge contributed to the district of a total expenditure by the former on this account of £118 19s. 0d. (\$578.88), the sum of £12 0s. 8d. (\$58.56) and to the unity £2 10½d. (\$14.57.)

The extent and character of the actuarial investigations of the Manchester Unity are discussed somewhat in connection with the statistics on sickness, etc. (p. 1655 et seq.), but it is proper to note that the actual results in the way of tables of costs and benefits. The tables shown are based on the latest investigations of the order, were prepared and certified by the actuaries of the order, and have been approved by its governing body. A selection of tables is given showing a number of the rates of payments and benefits, but not all the complete range of such provisions. In the case of insurances and annuities, larger sums than those represented in the tables may be procured by the payment of dues in an amount practically proportionately larger. The superannuation tables contain no provision for costs of management or for medical expenses and are certified by the actuaries as being sufficient to provide for the payments on



on condition that an interest rate of 3 per cent is received on the investments and that the dues fixed are devoted exclusively to the payment of the benefits named.

The tables follow:

CONTRIBUTIONS (PAYABLE EVERY 4 WEEKS) AND BENEFITS IN THE INDEPENDENT ORDER OF ODD FELLOWS, MANCHESTER UNITY. STANDARD TABLES.

[Source: Rules of the Independent Order of Odd Fellows, Manchester Unity, Friendly Society, Annual Movable Conference, 1908.]

ORDINARY OCCUPATIONS.

Age, last birthday.	Contributions.								
	Table I, scale 1.(a)			Table III, scale 1.(b)			Table V, scale 1.(c)		
	Sick fund.	Fu- neral fund.	Total.	Sick fund.	Fu- neral fund.	Total.	Sick fund.	Fu- neral fund.	Total.
16.....	\$0. 20	\$0. 05	\$0. 25	\$0. 17	\$0. 05	\$0. 22	\$0. 18	\$0. 05	\$0. 23
17.....	. 20	. 05	. 25	. 17	. 05	. 22	. 18	. 05	. 23
18.....	. 21	. 05	. 26	. 17	. 05	. 22	. 19	. 05	. 24
19.....	. 21	. 05	. 26	. 17	. 05	. 22	. 19	. 05	. 24
20.....	. 21	. 05	. 26	. 19	. 05	. 24	. 19	. 05	. 24
21.....	. 21	. 05	. 26	. 19	. 05	. 24	. 19	. 05	. 24
22.....	. 23	. 05	. 28	. 19	. 05	. 25	. 21	. 05	. 26
23.....	. 23	. 05	. 28	. 19	. 05	. 25	. 21	. 05	. 26
24.....	. 23	. 05	. 28	. 21	. 05	. 26	. 21	. 05	. 26
25.....	. 23	. 05	. 28	. 21	. 05	. 26	. 23	. 05	. 28
26.....	. 24	. 06	. 30	. 21	. 06	. 27	. 23	. 06	. 29
27.....	. 24	. 06	. 30	. 22	. 06	. 28	. 23	. 06	. 29
28.....	. 26	. 06	. 32	. 22	. 06	. 28	. 24	. 06	. 30
29.....	. 26	. 06	. 32	. 22	. 06	. 28	. 24	. 06	. 30
30.....	. 26	. 06	. 32	. 24	. 06	. 30	. 26	. 06	. 32
31.....	. 27	. 07	. 34	. 24	. 07	. 31	. 26	. 07	. 33
32.....	. 29	. 07	. 36	. 25	. 07	. 32	. 27	. 07	. 34
33.....	. 29	. 07	. 36	. 25	. 07	. 32	. 27	. 07	. 34
34.....	. 30	. 08	. 38	. 26	. 08	. 34	. 28	. 08	. 36
35.....	. 30	. 08	. 38	. 26	. 08	. 34	. 28	. 08	. 36
36.....	. 32	. 08	. 40	. 26	. 08	. 34	. 30	. 08	. 38
37.....	. 34	. 08	. 42	. 28	. 08	. 36	. 32	. 08	. 40
38.....	. 35	. 09	. 44	. 29	. 09	. 38	. 32	. 09	. 41
39.....	. 35	. 09	. 44	. 31	. 09	. 40	. 33	. 09	. 42
40.....	. 37	. 09	. 46	. 31	. 09	. 40	. 35	. 09	. 44
41.....	. 38	. 10	. 48	. 32	. 10	. 42	. 35	. 10	. 45
42.....	. 38	. 10	. 48	. 32	. 10	. 42	. 36	. 10	. 46
43.....	. 40	. 10	. 50	. 34	. 10	. 44	. 38	. 10	. 48
44.....	. 41	. 11	. 52	. 35	. 11	. 46	. 39	. 11	. 50

a Benefits \$1.70 per week during first 12 months' sickness, \$0.85 per week thereafter; \$34.07 at death of member, \$17.03 at death of member's first wife.  
b Benefits \$1.70 per week during first 12 months' sickness, \$0.85 per week for next 12 months, \$0. 43 per week thereafter; \$34.07 at death of member, \$17.03 at death of member's first wife.  
c Benefits \$1.70 per week during first 6 months' sickness, \$1.28 per week for next 6 months, \$0.85 per week thereafter; \$34.07 at death of member, \$17.03 at death of member's first wife.



CONTRIBUTIONS (PAYABLE EVERY 4 WEEKS) AND BENEFITS IN THE INDEPENDENT ORDER OF ODD FELLOWS, MANCHESTER UNITY. STANDARD TABLES—Continued

HAZARDOUS OCCUPATIONS.

Age, last birthday.	Contributions.							
	Table VI, scale 1.(a)			Table VIII, scale 1.(b)			Table X, scale 1.(c)	
	Sick fund.	Funeral fund.	Total.	Sick fund.	Funeral fund.	Total.	Sick fund.	Funeral fund.
16.....	\$0.25	\$0.05	\$0.30	\$0.23	\$0.05	\$0.28	\$0.24	\$0.05
17.....	.25	.05	.30	.23	.05	.28	.24	.05
18.....	.26	.05	.31	.24	.05	.29	.26	.05
19.....	.27	.05	.32	.25	.05	.30	.26	.05
20.....	.27	.05	.32	.26	.05	.31	.27	.05
21.....	.28	.05	.33	.26	.05	.31	.28	.05
22.....	.29	.05	.34	.27	.05	.32	.29	.05
23.....	.31	.05	.36	.27	.05	.32	.29	.05
24.....	.31	.05	.36	.29	.05	.34	.30	.05
25.....	.31	.06	.37	.29	.06	.35	.30	.06
26.....	.32	.06	.38	.30	.06	.36	.31	.06
27.....	.32	.06	.38	.32	.06	.38	.32	.06
28.....	.33	.06	.39	.33	.06	.39	.34	.06
29.....	.34	.06	.40	.34	.06	.40	.34	.06
30.....	.37	.06	.43	.34	.06	.40	.36	.06
31.....	.37	.07	.44	.35	.07	.42	.36	.07
32.....	.38	.07	.45	.35	.07	.42	.36	.07
33.....	.39	.07	.46	.37	.07	.44	.37	.07
34.....	.40	.08	.48	.37	.08	.45	.38	.08
35.....	.42	.08	.50	.38	.08	.46	.40	.08
36.....	.44	.08	.52	.40	.08	.48	.41	.08
37.....	.45	.08	.53	.42	.08	.50	.42	.08
38.....	.47	.09	.56	.42	.09	.51	.43	.09
39.....	.48	.09	.57	.43	.09	.52	.45	.09
40.....	.50	.09	.59	.45	.09	.54	.48	.09
41.....	.51	.10	.61	.46	.10	.57	.49	.10
42.....	.54	.10	.64	.49	.10	.59	.51	.10
43.....	.57	.10	.67	.51	.10	.61	.53	.10
44.....	.58	.11	.69	.53	.11	.64	.54	.11

a Benefits \$1.70 per week during first 12 months' sickness, \$0.85 per week thereafter; \$34.07 at member, \$17.03 at death of member's first wife.  
b Benefits \$1.70 per week during first 12 months' sickness, \$0.85 per week for next 12 months, week thereafter; \$34.07 at death of member, \$17.03 at death of member's first wife.  
c Benefits \$1.70 per week during first 6 months' sickness, \$1.28 per week for next 6 months, \$0.85 thereafter; \$34.07 at death of member, \$17.03 at death of member's first wife.

ALL OCCUPATIONS.(a)

Age, last birthday.	Contributions.			Age, last birthday.	Contributions	
	Table XI, scale 1.(b)	Table XII, scale 1.(c)	Table XIII, scale 1.(d)		Table XI, scale 1.(b)	Table XII, scale 1.(c)
16.....	\$0.20	\$0.19	\$0.18	31.....	\$0.27	\$0.26
17.....	.20	.19	.18	32.....	.28	.27
18.....	.21	.19	.18	33.....	.29	.28
19.....	.21	.20	.19	34.....	.30	.29
20.....	.22	.20	.19	35.....	.31	.30
21.....	.22	.20	.19	36.....	.32	.31
22.....	.22	.21	.20	37.....	.33	.32
23.....	.22	.21	.20	38.....	.34	.33
24.....	.23	.22	.21	39.....	.35	.34
25.....	.23	.22	.21	40.....	.37	.35
26.....	.24	.23	.22	41.....	.38	.37
27.....	.25	.23	.23	42.....	.39	.38
28.....	.25	.24	.23	43.....	.41	.39
29.....	.26	.24	.23	44.....	.43	.40
30.....	.26	.25	.24			

a Contributions and sickness benefits cease at age of 65.  
b Benefits \$1.70 per week during first 12 months' sickness, \$0.85 per week after 12 months, to 65 age; \$34.07 at death of member, \$17.03 at death of member's first wife.  
c Benefits \$1.70 per week during first 6 months' sickness, \$0.85 per week after 6 months, to 65 years; \$34.07 at death of member, \$17.03 at death of member's first wife.  
d Benefits \$1.70 per week during first 6 months' sickness, \$0.85 per week during second 6 months, week after 12 months, to 65 years of age; \$34.07 at death of member, \$17.03 at death of member's first wife.

CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1605

SUPERANNUATION BENEFITS IN THE INDEPENDENT ORDER OF ODD FELLOWS, MANCHESTER UNITY, PAYABLE AFTER THE ATTAINMENT OF THE AGE OF 65. STANDARD TABLES.

[Source: Rules of the Independent Order of Odd Fellows, Manchester Unity, Friendly Society, Annual Movable Conference, 1908. Contributions cease at the age of 65 years.]

Age, last birth- day.	Contributions payable every 4 weeks, neo- cessary to secure weekly benefits of—						Age, last birth- day.	Contributions payable every 4 weeks, neo- cessary to secure weekly benefits of—					
	\$0.61.	\$1.46.	\$2.43.	\$0.61.	\$1.46.	\$2.43.		\$0.61.	\$1.46.	\$2.43.	\$0.61.	\$1.46.	\$2.43.
	Contributions not returnable.			Contributions re- turnable.(a)				Contributions not returnable.			Contributions re- turnable.(a)		
1....	\$0.06	\$0.14	\$0.23	\$0.08	\$0.19	\$0.31	26....	\$0.16	\$0.41	\$0.69	\$0.23	\$0.56	\$0.93
2....	.06	.14	.24	.08	.19	.32	27....	.17	.42	.71	.24	.59	.97
3....	.06	.15	.25	.08	.20	.33	28....	.19	.44	.75	.25	.61	1.01
4....	.06	.15	.26	.08	.21	.34	29....	.20	.47	.80	.27	.65	1.07
5....	.07	.16	.27	.09	.22	.36	30....	.21	.50	.84	.28	.68	1.12
6....	.07	.17	.28	.09	.23	.38	31....	.22	.52	.89	.30	.72	1.17
7....	.07	.17	.29	.10	.24	.39	32....	.23	.56	.93	.31	.75	1.23
8....	.07	.18	.30	.10	.25	.41	33....	.25	.59	.98	.33	.80	1.32
9....	.08	.19	.31	.10	.26	.42	34....	.26	.63	1.05	.35	.85	1.42
10....	.08	.20	.32	.11	.27	.44	35....	.28	.67	1.11	.37	.90	1.50
11....	.08	.20	.34	.11	.28	.46	36....	.30	.72	1.19	.40	.96	1.60
12....	.09	.21	.35	.12	.29	.48	37....	.32	.77	1.27	.42	1.02	1.69
13....	.09	.22	.37	.13	.31	.51	38....	.34	.82	1.35	.45	1.09	1.82
14....	.10	.23	.39	.13	.32	.55	39....	.36	.87	1.44	.48	1.16	1.94
15....	.10	.25	.41	.14	.34	.57	40....	.38	.92	1.54	.51	1.23	2.07
16....	.11	.26	.43	.15	.35	.59	41....	.41	.99	1.64	.55	1.32	2.19
17....	.11	.27	.44	.15	.36	.61	42....	.44	1.05	1.76	.59	1.41	2.34
18....	.11	.28	.46	.16	.38	.63	43....	.47	1.13	1.90	.63	1.51	2.50
19....	.12	.29	.48	.16	.39	.65	44....	.51	1.22	2.05	.67	1.60	2.67
20....	.12	.30	.50	.17	.41	.69	45....	.55	1.33	2.21	.72	1.73	2.88
21....	.13	.32	.52	.18	.43	.73	46....	.60	1.44	2.39	.78	1.87	3.12
22....	.14	.33	.56	.19	.45	.77	47....	.65	1.58	2.61	.84	2.02	3.36
23....	.14	.35	.59	.20	.48	.81	48....	.71	1.71	2.86	.91	2.19	3.65
24....	.15	.37	.61	.21	.50	.85	49....	.78	1.87	3.12	.98	2.36	3.93
25....	.16	.38	.65	.22	.53	.89	50....	.85	2.05	3.40	1.07	2.58	4.30

a These contributions are returnable in the event of death at any time before the age of 65, and at the age of 16 or 18 (as the district rules provide) if the member fails to pass the medical examination on application made for the same for transfer from a juvenile branch.

QUARTERLY SUPERANNUATION BENEFITS, PAYABLE AFTER THE AGE OF 65 YEARS, PROCURABLE IN THE INDEPENDENT ORDER OF ODD FELLOWS, MANCHESTER UNITY, FOR EACH PAYMENT OF £1 (\$4.87) AT SPECIFIED AGES. STANDARD TABLES.

[Source: Rules of the Independent Order of Odd Fellows, Manchester Unity, Friendly Society, Annual Movable Conference, 1908.]

Age.	Quar- terly benefit.	Age.	Quar- terly benefit.	Age.	Quar- terly benefit.	Age.	Quar- terly benefit.	Age.	Quar- terly benefit.	Age.	Quar- terly benefit.
18....	\$1.15	26....	\$0.86	34....	\$0.64	42....	\$0.46	50....	\$0.32	58....	\$0.21
19....	1.11	27....	.83	35....	.61	43....	.44	51....	.30	59....	.20
20....	1.06	28....	.79	36....	.59	44....	.42	52....	.29	60....	.19
21....	1.02	29....	.77	37....	.57	45....	.40	53....	.28	61....	.18
22....	.99	30....	.75	38....	.55	46....	.38	54....	.26	62....	.16
23....	.95	31....	.72	39....	.52	47....	.36	55....	.25	63....	.14
24....	.92	32....	.69	40....	.50	48....	.35	56....	.24	64....	.13
25....	.89	33....	.67	41....	.48	49....	.34	57....	.23		

AMOUNT OF CONTRIBUTIONS (PAYABLE QUARTERLY) TO SECURE FUTURE BENEFITS IN THE INDEPENDENT ORDER OF ODD FELLOWS, MANCHESTER UNITY. STANDARD TABLES.

[Source: Rules of the Independent Order of Odd Fellows, Manchester Unity, Friendly Society Movable Conference, 1908.]

Age, last birth- day.	Benefits payable on death of—			Age, last birth- day.	Benefits payable on death		
	Member, \$34.07; mem- ber's wife, \$17.03.	Member, \$48.67; mem- ber's wife, \$24.33.	Member, \$58.40; mem- ber's wife, \$29.20.		Member, \$34.07; mem- ber's wife, \$17.03.	Member, \$48.67; mem- ber's wife, \$24.33.	M \$58.40; mem- ber's wife, \$29.20.
18.....	\$0.16	\$0.23	\$0.28	45.....	\$0.37	\$0.53	
19.....	.16	.23	.28	46.....	.39	.56	
20.....	.17	.24	.29	47.....	.40	.58	
21.....	.17	.25	.30	48.....	.42	.60	
22.....	.18	.25	.30	49.....	.43	.63	
23.....	.19	.26	.31	50.....	.45	.65	
24.....	.19	.27	.32	51.....	.47	.68	
25.....	.20	.28	.33	52.....	.49	.71	
26.....	.20	.28	.34	53.....	.51	.74	
27.....	.20	.29	.35	54.....	.54	.80	
28.....	.21	.30	.36	55.....	.57	.81	
29.....	.22	.31	.37	56.....	.60	.85	
30.....	.22	.32	.38	57.....	.63	.89	
31.....	.23	.33	.39	58.....	.66	.94	
32.....	.24	.34	.40	59.....	.69	.99	
33.....	.25	.35	.42	60.....	.72	1.04	
34.....	.25	.36	.43	61.....	.76	1.09	
35.....	.26	.37	.44	62.....	.80	1.14	
36.....	.27	.39	.46	63.....	.84	1.20	
37.....	.28	.40	.48	64.....	.88	1.26	
38.....	.29	.41	.49	65.....	.93	1.33	
39.....	.30	.43	.51	66.....	.96	1.40	
40.....	.31	.44	.52	67.....	1.03	1.48	
41.....	.32	.46	.55	68.....	1.09	1.56	
42.....	.33	.47	.57	69.....	1.16	1.65	
43.....	.34	.49	.59	70.....	1.24	1.78	
44.....	.35	.51	.61				

RATES FOR WHOLE LIFE INSURANCE IN THE INDEPENDENT ORDER OF ODD FELLOWS, MANCHESTER UNITY.

[Source: Rules of the Independent Order of Odd Fellows, Manchester Unity, Friendly Society Movable Conference, 1908.]

Age of entrant at next birthday.	Ordinary life policies.			Endowment poli	
	Amount of in- surance pay- able at death secured by the payment every 4 weeks of 4d. (\$0.0811).(a)	Amount of an- nual premiums necessary to secure the pay- ment at death of £10(\$48.665). (b)	Amount of sin- gle premium necessary to secure the pay- ment at death of £1 (\$4.8665).	Amount of in- surance pay- able at age 65, or prior death, secured by the payment every 4 weeks of 4d. (\$0.0811).(a)	Amo nual ) need secur ment or pr of £10
16.....	\$64.48	\$0.71		\$56.94	
17.....	62.78	.73		55.23	
18.....	61.07	.75	\$1.57	53.53	
19.....	59.61	.77	1.60	51.83	
20.....	57.91	.79	1.63	50.13	
21.....	56.21	.81	1.65	48.42	
22.....	54.75	.83	1.68	46.72	
23.....	53.29	.85	1.72	45.26	
24.....	51.83	.87	1.75	43.80	
25.....	50.37	.89	1.78	42.58	
26.....	48.91	.91	1.81	41.12	
27.....	47.69	.95	1.85	39.66	
28.....	46.48	.97	1.89	38.45	
29.....	45.02	.99	1.91	36.99	
30.....	43.56	1.03	1.95	35.53	
31.....	42.34	1.05	1.99	34.31	
32.....	40.98	1.10	2.02	33.09	

\* One-sixth of these contributions may be applied to expenses of management.  
\* One-twelfth of these premiums may be applied to expenses of management.

CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1607

RATES FOR WHOLE LIFE INSURANCE IN THE INDEPENDENT ORDER OF ODD FELLOWS, MANCHESTER UNITY—Concluded.

Age of entrant at next birthday.	Ordinary life policies.			Endowment policies.	
	Amount of insurance payable at death secured by the payment every 4 weeks of 4d. (\$0.0811). <sup>(a)</sup>	Amount of annual premiums necessary to secure the payment at death of £10 (\$48.665). <sup>(b)</sup>	Amount of single premium necessary to secure the payment at death of £1 (\$4.8665).	Amount of insurance payable at age 65, or prior death, secured by the payment every 4 weeks of 4d. (\$0.0811). <sup>(a)</sup>	Amount of annual premiums necessary to secure the payment at age 65, or prior death, of £10 (\$48.665). <sup>(b)</sup>
23.....	\$39. 66	\$1. 14	\$2. 06	\$31. 88	\$1. 42
24.....	38. 45	1. 18	2. 10	30. 66	1. 48
25.....	37. 23	1. 22	2. 14	29. 44	1. 54
26.....	36. 01	1. 26	2. 17	28. 23	1. 60
27.....	34. 80	1. 30	2. 23	27. 01	1. 68
28.....	33. 58	1. 34	2. 25	25. 79	1. 76
29.....	32. 36	1. 38	2. 29	24. 58	1. 85
30.....	31. 39	1. 44	2. 33	23. 60	1. 93
31.....	30. 17	1. 48	2. 38	22. 39	2. 03
32.....	29. 20	1. 54	2. 42	21. 41	2. 13
33.....	28. 23	1. 58	2. 46	20. 44	2. 23
34.....	27. 25	1. 64	2. 51	19. 22	2. 35
35.....	26. 28	1. 70	2. 56	18. 25	2. 49
36.....	25. 31	1. 78	2. 61	17. 28	2. 64
37.....	24. 33	1. 85	2. 64	16. 30	2. 80
38.....	23. 36	1. 93	2. 70	15. 33	2. 98
39.....	22. 39	2. 01	2. 74	14. 36	3. 18
40.....	21. 41	2. 09	2. 79	13. 38	3. 41
41.....	20. 44	2. 17	2. 84	12. 41	3. 67
42.....	19. 71	2. 27	2. 88	11. 44	3. 97
43.....	18. 74	2. 37	2. 94	10. 71	4. 32
44.....	18. 01	2. 49	2. 99	9. 73	4. 72
45.....	17. 28	2. 62	3. 04	8. 76	5. 23
46.....	16. 30	2. 74	3. 09	.....	.....
47.....	15. 57	2. 86	3. 14	.....	.....
48.....	14. 84	3. 00	3. 19	.....	.....
49.....	14. 11	3. 16	3. 24	.....	.....
50.....	13. 38	3. 33	3. 30	.....	.....
51.....	12. 65	3. 49	3. 35	.....	.....
52.....	11. 92	3. 69	3. 40	.....	.....
53.....	11. 19	3. 91	3. 45	.....	.....
54.....	10. 46	4. 14	3. 50	.....	.....
55.....	9. 98	4. 38	3. 55	.....	.....

<sup>a</sup> One-sixth of these contributions may be applied to expenses of management.  
<sup>b</sup> One-twelfth of these premiums may be applied to expenses of management.

Female members are admitted into the Manchester Unity, either in separate lodges, or, if none exists within 3 miles, then in membership in lodges with male members. Separate tables are prepared for female branches, and these rates must also be paid by females joining societies of males. Representative tables for female members are appended. None of these contains provisions for the expenses of management. Benefits in case of confinement are not to be paid until the expiration of four weeks from the date of confinement; nor are the benefits shown in Tables V and VI payable until after 12 months' membership.

The tables follow:

CONTRIBUTIONS (PAYABLE EVERY 4 WEEKS) AND BENEFITS OF FEMALE MEMBERS OF THE INDEPENDENT ORDER OF ODD FELLOWS, MANCHESTER UNITY. STANDARD TABLES.

[Source: Rules of the Independent Order of Odd Fellows, Manchester Unity, Friendly Society, Annual Movable Conference, 1908.]

Age, last birthday.	Contributions for sickness and death benefits.				Contributions for sickness, confinement, and death benefits.	
	Contributions payable throughout life.		Contributions and sickness benefits cease at age 65.		Contributions payable throughout life.	
	Table I, scale 1.(a)	Table II, scale 1.(b)	Table III, scale 1.(a)	Table IV, scale 1.(b)	Table V, scale 1.(c)	Table VI, scale 1.(d)
16.....	\$0. 15	\$0. 14	\$0. 13	\$0. 12	\$0. 25	\$0. 24
17.....	. 15	. 14	. 13	. 12	. 25	. 24
18.....	. 15	. 15	. 13	. 13	. 25	. 24
19.....	. 16	. 15	. 13	. 13	. 25	. 24
20.....	. 16	. 16	. 13	. 13	. 25	. 24
21.....	. 16	. 16	. 14	. 13	. 25	. 24
22.....	. 17	. 16	. 14	. 13	. 25	. 24
23.....	. 17	. 17	. 14	. 14	. 26	. 24
24.....	. 17	. 17	. 14	. 14	. 26	. 24
25.....	. 18	. 17	. 15	. 14	. 26	. 24
26.....	. 18	. 18	. 15	. 14	. 26	. 24
27.....	. 18	. 18	. 15	. 15	. 26	. 24
28.....	. 19	. 18	. 15	. 15	. 26	. 24
29.....	. 19	. 19	. 16	. 15	. 26	. 24
30.....	. 20	. 19	. 16	. 15	. 27	. 24
31.....	. 20	. 20	. 16	. 16	. 27	. 24
32.....	. 21	. 20	. 17	. 16	. 27	. 24
33.....	. 21	. 21	. 17	. 16	. 27	. 24
34.....	. 22	. 21	. 17	. 17	. 28	. 24
35.....	. 23	. 22	. 18	. 17	. 28	. 24
36.....	. 23	. 22	. 18	. 17	. 28	. 24
37.....	. 24	. 23	. 18	. 18	. 28	. 24
38.....	. 24	. 23	. 19	. 18	. 28	. 24
39.....	. 25	. 24	. 19	. 19	. 29	. 24
40.....	. 26	. 25	. 20	. 19	. 29	. 24
41.....	. 26	. 26	. 20	. 20	. 29	. 24
42.....	. 27	. 26	. 21	. 20	. 29	. 24
43.....	. 28	. 27	. 21	. 21	. 29	. 24
44.....	. 29	. 28	. 22	. 21	. 30	. 24

a Benefits, \$0.97 per week during first 52 weeks' sickness; \$0.49 thereafter; \$19.47 at death.  
b Benefits, \$0.97 per week during first 26 weeks' sickness; \$0.49 thereafter; \$19.47 at death.  
c Benefits, \$0.97 per week during first 52 weeks' sickness; \$0.49 thereafter; \$7.30 at each confinement married member, and \$19.47 at death.  
d Benefits, \$0.97 per week during first 26 weeks' sickness; \$0.49 thereafter; \$7.30 at each confinement married member, and \$19.47 at death.

CONTRIBUTIONS (PAYABLE EVERY FOUR WEEKS UNTIL 65 YEARS OF AGE) NECESSARY TO SECURE ANNUITIES, PAYABLE AT 65 YEARS OF AGE, TO FEMALE MEMBERS OF THE INDEPENDENT ORDER OF ODD FELLOWS, MANCHESTER UNITY. STANDARD TABLES.

Source: Rules of the Independent Order of Odd Fellows, Manchester Unity, Friendly Society, Annual Movable Conference, 1908.]

Age, last birthday.	Contributions not returnable, payable every four weeks, necessary to secure weekly benefits of—		Contributions returnable,(a) payable every four weeks, necessary to secure weekly benefits of—		Age, last birthday.	Contributions not returnable, payable every four weeks, necessary to secure weekly benefits of—		Contributions returnable,(a) payable every four weeks, necessary to secure weekly benefits of—	
	\$0.73.	\$1.22.	\$0.73.	\$1.22.		\$0.73.	\$1.22.	\$0.73.	\$1.22.
1.....	\$0.08	\$0.12	\$0.11	\$0.18	23.....	\$0.21	\$0.35	\$0.27	\$0.47
2.....	.08	.13	.11	.18	24.....	.22	.37	.28	.49
3.....	.08	.14	.12	.19	25.....	.23	.39	.30	.51
4.....	.09	.15	.12	.20	26.....	.24	.41	.32	.53
5.....	.10	.16	.13	.21	27.....	.26	.43	.33	.56
6.....	.10	.16	.13	.22	28.....	.27	.46	.35	.59
7.....	.10	.17	.14	.22	29.....	.28	.49	.38	.62
8.....	.11	.18	.14	.23	30.....	.30	.51	.40	.65
9.....	.11	.19	.15	.24	31.....	.32	.54	.42	.68
10.....	.12	.20	.15	.25	32.....	.34	.57	.44	.72
11.....	.12	.20	.16	.26	33.....	.37	.60	.47	.76
12.....	.13	.21	.17	.28	34.....	.39	.63	.49	.80
13.....	.13	.22	.17	.29	35.....	.41	.67	.52	.85
14.....	.14	.23	.18	.30	36.....	.43	.71	.55	.90
15.....	.15	.24	.19	.31	37.....	.46	.75	.58	.95
16.....	.15	.25	.20	.32	38.....	.49	.80	.61	1.01
17.....	.16	.26	.21	.34	39.....	.52	.85	.64	1.07
18.....	.17	.28	.22	.37	40.....	.55	.91	.68	1.14
19.....	.18	.29	.23	.38	41.....	.59	.97	.73	1.21
20.....	.18	.30	.24	.40	42.....	.63	1.03	.78	1.29
21.....	.19	.32	.25	.42	43.....	.67	1.12	.84	1.38
22.....	.20	.34	.26	.44	44.....	.72	1.20	.89	1.46

a These contributions are returnable in the event of death at any time before the age of 65.

The first steps toward the organization of female branches were taken in 1893, though it was five years later that the subject was finally and definitely acted on, so that such branches were admitted to the regular status of lodges of the unity. The cost of insurance and other benefits for women is usually regarded as greater than for men, and the requirement is strictly enjoined by the rules of the unity that female members shall be admitted only at the special rates provided. Females are admitted into the Independent Order of Rechabites, Salford Unity, on equal terms with men. Differences in details of arrangement of expenses of management, frequency of payment, etc., make it for the most part not feasible to undertake any comparison of the rates charged.

In the case of superannuation benefits, however, an instance is available of identical benefits, times of payment, and cost conditions. Two and one-half per cent interest is paid on the contributions returned by the Rechabites. No statement as to interest is made by the rules of the Manchester Unity. In this case a benefit of 61 cents per week may be secured by the payment of a sum every four weeks from age of entry until the age 65 is reached, the contributions not providing for the costs of management. Two forms are offered, one

in which no contributions are returnable, the other offering a return of contributions in event of death prior to age 65.

The table follows:

COST OF A SUPERANNUATION BENEFIT OF 2S. 6D. (\$0.61) WEEKLY, BEGINNING AT AGE 65, IN THE INDEPENDENT ORDER OF ODD FELLOWS, MANCHESTER UNITY, AND THE INDEPENDENT ORDER OF RECHABITES, SALFORD UNITY. CONTRIBUTIONS PAYABLE EVERY FOUR WEEKS.

[Sources: Rules of the Independent Order of Odd Fellows, Manchester Unity, Annual Movable Conference, 1908; General Rules of the Independent Order of Rechabites, High Movable Conference, 1907.]

Age.	Contributions not returnable.		Contributions re- turnable.		Age.	Contributions not returnable.		Contributions re- turnable.	
	I.O.O.F., males.	I. O. R., both sexes.	I.O.O.F., males.	I. O. R., both sexes.		I.O.O.F., males.	I. O. R., both sexes.	I.O.O.F., males.	I. O. R., both sexes.
16.....	\$0.11	.....	\$0.15	\$0.17	34.....	\$0.26½	\$0.29½	\$0.35½	\$0.38½
17.....	.11	.....	.15	.18½	35.....	.28	.31½	.37½	.40½
18.....	.11½	.....	.16	.19	36.....	.30	.33½	.40	.43
19.....	.12	\$0.14	.16	.20	37.....	.32	.35½	.42½	.45½
20.....	.12½	.14½	.17	.20½	38.....	.34	.37½	.45½	.48½
21.....	.13	.15	.18	.21½	39.....	.36	.39½	.48½	.50½
22.....	.14	.16	.19½	.22½	40.....	.38½	.41½	.51½	.53½
23.....	.14½	.17	.20½	.23½	41.....	.41½	.44½	.55½	.57½
24.....	.15	.18½	.21½	.24½	42.....	.44	.47½	.59	.61½
25.....	.16	.19½	.22½	.25½	43.....	.47½	.50½	.63	.64½
26.....	.16½	.20½	.23½	.27	44.....	.51	.53½	.67	.68½
27.....	.17½	.21½	.24½	.28	45.....	.55½	.58	.72	.73½
28.....	.19	.22½	.25½	.29½	46.....	.60	.62	.78	.79½
29.....	.20½	.23½	.27	.30½	47.....	.65½	.67	.84	.85½
30.....	.21½	.24½	.28½	.32	48.....	.71½	.73	.91½	.92½
31.....	.22½	.25½	.30	.33½	49.....	.78	.79	.98½	.99½
32.....	.23½	.26½	.31½	.35	50.....	.85	.85	1.07½	1.08½
33.....	.25½	.27½	.33½	.37					

The subject of female membership has received considerable attention in recent years, increasing with the increasing importance of female labor and self-support. Besides the orders named, the two principal orders admitting both men and women are the Ancient Order of Foresters and the Loyal Order of Ancient Shepherds, Ashton Unity. Seven orders are apparently composed of women only, while some of the oldest ordinary friendly societies are exclusively female in membership, many others admitting them together with men. At the close of the year 1905 approximately 40,000 females were found in the registered orders, and there were 48,000 members of friendly societies comprised exclusively of females, with an annual income of above £38,000 (\$184,927) and accumulated funds amounting to nearly £195,000 (\$948,968). General friendly societies report some 514,000 female members, giving a total membership of more than 600,000 women who are in some degree made provision against loss from current sickness or disability as well as for their own future needs.

A table on page 1595 shows the general data for 312 societies composed of female members exclusively, in connection with the 10 societies reporting for 1905. As compared with the membership of societies admitting males only, this table shows a disproportion



large number of members of dividing societies. Among male societies, dividing societies have but 11 per cent of the total membership, while in female societies nearly 32 per cent of the members belong to societies of this class, indicating a purpose to provide for the near future rather than for more remote contingencies.

### TRADE UNIONS.

#### HISTORY.

The relation of trade unions to the question of workmen's insurance is in some degree parallel to the relation thereto of friendly societies. Many phases of trade-union activity obviously have no place in a review of insurance provisions, while on the other hand their benefit features are devised to cover not only unemployment in case of strikes, but other out-of-work cases, sickness and accident relief, superannuation, and funeral benefits.

These forms of relief are a matter of progressive development, though their beginnings are said to be found as far back as the early years of the eighteenth century. Beginning with the local union of small membership and narrow scope, the tendency toward enlargement has been practically continuous, until at the present time many trades have national organizations, while there are others of smaller but still broad scope. Besides these large unions federations of unions have come into existence, uniting either a number of societies connected with the same industry or a number of societies covering several industries more or less closely related. Another form of federated activity is represented by so-called trades councils and congresses.

The history of trade unions involves the account of a long struggle for recognition in the face of laws against conspiracy and combination, drawn to restrain or prevent organizations of workmen that should concern themselves with the rates of wages and other conditions of employment, and the cloak of the friendly society was used for a time to cover operations that were forbidden by the law of the land, this subterfuge even surviving the state of law that gave rise to it. Laws were enacted in 1824 and 1825 legalizing trade unions, following which action there was a large and rapid increase in the growth of unionism, accompanied by a similar movement as regards benefit provisions. Without going so far back as the fourth decade of the last century, when this first impetus was received, it will be possible to estimate the importance and present growth of this form of organization from a table beginning with the year 1898. The use of this date as a starting point will also make it possible to observe the effect, if any, of the passage of the workmen's compensation act of 1897 on this form of voluntary provision for benefits.

## STATISTICS OF OPERATIONS.

The following table shows the number and membership of all trade unions for a period of 10 years, 1898 to 1907, and the membership and principal financial facts for 100 principal unions for the same period. Only those societies are included which reported for each of the 10 years covered. It is said that the societies failing of enumeration on account of the lack of continuous reports are few and generally unimportant. The unions for which a financial statement is shown include more than 60 per cent of the total membership of all the societies.

NUMBER AND MEMBERSHIP OF ALL TRADE UNIONS, AND MEMBERSHIP, INCOME, EXPENDITURE, AND ACCUMULATED FUNDS OF 100 PRINCIPAL UNIONS IN GREAT BRITAIN, 1898 TO 1907.

[Source: Board of Trade Report on Trade Unions, 1906-1907.]

Year.	All trade unions.		100 principal unions.							
	Num-ber.	Members.	Member-ship at end of year.	Income.		Expenditure.		Funds at end of year.		
				Total	Per capita.	Total	Per capita.	Total.	Per capita.	
1898.....	1,287	1,688,531	1,080,872	89	16	\$3.49	\$7,184,594	\$6.59	\$12,929,317	\$11.85
1899.....	1,282	1,848,570	1,169,972	8	64	7.63	6,092,911	5.21	15,768,370	13.48
1900.....	1,271	1,955,704	1,213,287	9	33	7.81	7,069,109	5.84	18,158,994	14.97
1901.....	1,265	1,966,761	1,220,257	9	88	8.15	7,996,321	6.54	20,119,861	16.49
1902.....	1,232	1,953,307	1,218,466	10	05	8.33	8,760,839	7.19	21,514,237	17.66
1903.....	1,218	1,931,043	1,206,949	10	97	8.48	9,329,591	7.74	22,409,133	18.58
1904.....	1,188	1,935,109	1,199,571	10	95	8.58	9,995,835	8.33	22,705,393	18.93
1905.....	1,181	1,920,373	1,213,799	10	99	8.87	10,047,060	8.28	23,422,732	19.30
1906.....	1,200	2,113,806	1,298,226	11	40	8.79	9,531,897	7.34	25,298,675	19.49
1907.....	1,173	2,408,746	1,457,856	12	57	8.32	9,996,556	6.86	27,435,677	18.82

Registry is offered to trade unions as well as to friendly societies, though under a distinct act. As in the case of friendly societies registry for trade unions involves certain privileges, as the control and safeguarding of property, and likewise certain duties as to the making of reports as to membership and receipts and expenditures. The comparison continues in the fact that only about one-half of the trade unions are registered. The tables following show the number of registered and unregistered unions at the end of 1907, classified as to trades represented and as to membership.

# CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1613

## NUMBER AND MEMBERSHIP OF REGISTERED AND UNREGISTERED TRADE UNIONS IN GREAT BRITAIN, BY GROUPS OF TRADES, 1907.

[Source: Board of Trade Report on Trade Unions, 1905-1907.]

Trade group.	Registered.		Unregistered.		Total.	
	Num- ber of unions.	Number of members.	Num- ber of unions.	Number of members.	Num- ber of unions.	Number of members.
<b>Building:</b>						
Laborers.....	14	11, 117	10	4, 116	24	15, 233
Others.....	37	171, 449	16	6, 508	53	177, 957
<b>Mining and quarrying:</b>						
Coal mining.....	43	598, 511	21	84, 511	64	683, 022
Other mining and quarrying.....	8	18, 037	3	2, 285	11	20, 322
<b>Metal, engineering, etc.:</b>						
Iron and steel; engineering and ship- building.....	71	330, 073	52	14, 465	123	344, 538
Miscellaneous.....	31	18, 758	68	13, 509	99	32, 267
<b>Textile:</b>						
Cotton.....	17	84, 900	131	186, 224	148	271, 124
Other.....	50	33, 891	65	49, 412	115	83, 303
<b>Clothing:</b>						
Boot and shoe.....	6	33, 923	7	1, 470	13	35, 393
Tailoring.....	6	18, 696	5	4, 005	11	22, 701
Other.....	9	2, 740	7	7, 976	16	10, 716
<b>Transportation:</b>						
Railway servants.....	6	138, 408	1	479	7	138, 887
Others.....	40	87, 821	15	12, 105	55	99, 926
<b>Agricultural laborers and fishermen.....</b>	5	6, 067	3	1, 926	8	8, 013
<b>Printing, paper, and allied trades.....</b>	23	34, 617	16	33, 604	39	68, 221
<b>Woodworking and furnishing.....</b>	43	34, 877	57	9, 511	100	44, 388
<b>Chemical, glass, pottery, etc.....</b>	12	2, 864	25	15, 658	37	18, 522
<b>Food and tobacco.....</b>	16	12, 342	17	6, 105	33	18, 447
<b>Workers in fiber, cane, etc.....</b>	5	1, 819	11	3, 072	16	4, 891
<b>Leather.....</b>	11	3, 274	17	2, 507	28	5, 781
<b>Enginemen.....</b>	13	9, 176	10	1, 132	23	10, 308
<b>Miscellaneous trades.....</b>	30	68, 345	25	8, 014	55	76, 359
<b>General labor.....</b>	14	124, 542	3	2, 492	17	127, 034
<b>Employees of public authorities:</b>						
National employees.....	7	8, 819	57	61, 420	64	70, 239
Employees of local authorities.....	6	18, 041	8	1, 113	14	19, 154
<b>Total.....</b>	<b>523</b>	<b>1, 873, 127</b>	<b>650</b>	<b>533, 619</b>	<b>1, 173</b>	<b>2, 406, 746</b>

**NUMBER AND MEMBERSHIP OF REGISTERED AND UNREGISTERED TRADE UNIONS  
IN GREAT BRITAIN, CLASSIFIED BY SIZE OF UNIONS, 1907.**

[Source: Board of Trade Report on Trade Unions, 1906-1907.]

Membership group.	Number of unions.			Membership of—		
	Regis- tered.	Unreg- istered.	Total.	Regis- tered unions.	Unregis- tered unions.	Total.
<b>Under 100 members:</b>						
Under 25.....	17	32	49	209	587	856
25 and under 50.....	34	77	111	1,306	2,808	4,113
50 and under 100.....	74	142	216	5,351	10,175	15,526
<b>Total.....</b>	<b>125</b>	<b>251</b>	<b>376</b>	<b>6,925</b>	<b>13,570</b>	<b>20,495</b>
<b>100 and under 1,000 members:</b>						
100 and under 200.....	67	188	255	9,299	18,574	27,873
200 and under 300.....	42	62	104	9,984	15,064	25,038
300 and under 400.....	32	27	59	10,920	9,287	20,207
400 and under 500.....	17	22	39	7,346	9,951	17,297
500 and under 1,000.....	73	52	125	52,550	36,161	88,711
<b>Total.....</b>	<b>356</b>	<b>552</b>	<b>908</b>	<b>97,024</b>	<b>102,597</b>	<b>199,621</b>
<b>1,000 and under 10,000 members:</b>						
1,000 and under 2,000.....	47	40	87	63,575	55,475	119,050
2,000 and under 5,000.....	55	34	89	173,633	106,169	279,802
5,000 and under 10,000.....	28	16	44	188,815	110,274	299,089
<b>Total.....</b>	<b>496</b>	<b>642</b>	<b>1,128</b>	<b>523,047</b>	<b>374,518</b>	<b>897,565</b>
<b>10,000 and over:</b>						
10,000 and under 20,000.....	18	6	24	268,681	90,849	359,530
20,000 and under 50,000.....	10	2	12	306,072	68,255	374,327
50,000 and over.....	9	.....	9	775,327	.....	775,327
<b>Grand total.....</b>	<b>523</b>	<b>650</b>	<b>1,173</b>	<b>1,873,127</b>	<b>533,619</b>	<b>2,406,746</b>

From these tables it appears that while registered unions comprise but 44.6 per cent of the total, they have 77.8 per cent of the members; also that 167 such unions have 1,000 or more members as compared with 98 unregistered unions with 1,000 members or over.

The progress of registered trade unions through three decades in the matter of membership and funds is shown in the following table:

**NUMBER, MEMBERSHIP, AND FINANCIAL SUMMARY OF REGISTERED TRADE UNIONS  
IN THE UNITED KINGDOM, 1877 to 1907.**

[Source: Reports of the Chief Registrar of Friendly Societies for 1907.]

Item.	1877.	1887.	1897.	1907.
Number of unions reporting.....	157	203	604	652
Number of members.....	267,659	356,416	1,210,195	1,973,560
Total income.....	\$1,575,593	\$3,517,565	\$10,534,624	\$14,288,506
Total expenditure.....	(a)	(a)	9,959,686	11,581,963
Amount of funds.....	1,891,015	2,950,209	11,596,558	31,263,253

\* Not reported.

The average per capita income of the above societies in 1907 was £1 9s. 9d. (\$7.24), the average expenditure £1 4s. 1½d. (\$5.87), and the amount of funds £3 5s. 1d. (\$15.84).

## BENEFIT PAYMENTS.

The path to the present position of the unions on the subject of benefits has been beset with many difficulties, and sharp differences of opinion have been developed on the question of the advisability of the payment of benefits. On the one side it was charged that the accumulation of large funds under the guise of provision for benefits was for the ulterior purpose of acquiring defense funds, and on the other that the combination of strike and other benefits was for the purpose of binding the membership by their contributions for the latter objects to the will of the leaders of the unions, as no one would dare to thwart such will if it would involve the loss of the accumulated savings of a lifetime. As against the practice of paying benefits it was objected that when the unionist became disabled through old age or sickness his care should devolve on the whole body of society rather than on the limited body of unionists. The feature of benefits has grown in public favor, however, since the predicted evils have failed of realization; it is claimed, furthermore, that the accumulation of invested funds has had a tendency toward encouraging a feeling of conservatism among the members of the unions. The unions themselves claimed, in favor of the combination of benefit features with the other objects of the trade union, that it is more economical to combine all benefits within the activities of a single society than to seek them partly in one organization and partly in another.

Statistics are not available covering the financial operations of trade unions in an entirety, but they can be presented for the 100 principal societies shown in the previous table. The next table shows for ten years the amount of the various expenditures, and the percentage that each such expenditure is of the total for each year.

## EXPENDITURES FOR VARIOUS PURPOSES OF 100 PRINCIPAL TRADE UNIONS IN GREAT BRITAIN, 1908 TO 1907.

[Source: Board of Trade Report on Trade Unions, 1905-1907.]

Year.	Dispute benefit.		Unemployed benefit.		Other benefits. (e)		Working and miscellaneous expenses.	
	Amount.	Per cent of total expenditure.	Amount.	Per cent of total expenditure.	Amount.	Per cent of total expenditure.	Amount.	Per cent of total expenditure.
1908.....	\$1,508,563	11.1	\$1 78	15.9	\$3,958,053	41.1	\$1 01	20.9
1909.....	563,878	9.6	81	14.8	3,019,702	49.5	1 61	26.1
1910.....	747,086	10.6	1 92	17.9	3,307,059	46.6	1 71	24.9
1911.....	1,021,970	12.6	1 97	19.8	3,504,459	43.9	1 94	23.5
1912.....	1,064,280	12.1	2 79	23.9	3,644,279	41.6	1 23	22.4
1913.....	836,363	9.0	2 70	20.9	3,850,209	41.3	2 60	22.8
1914.....	604,833	6.1	3 23	31.9	4,132,807	41.3	2 71	20.7
1915.....	1,025,654	10.2	3 19	25.4	4,292,070	43.7	2 17	20.7
1916.....	739,998	7.8	2 42	21.6	4,491,804	47.1	2 11	21.5
1917.....	649,011	6.5	2 73	22.7	4,746,283	47.4	2 68	23.4
Average..	895,207	10.3	1,955,445	22.8	3,804,673	44.2	1,955,146	22.7

\* A small proportion of this expenditure (equal to about 3 per cent of the total expenditure for all purposes) consisted of payments to federations, grants and fees to other societies, etc.

These 100 unions expended in the three years 1905 to 1907 more than £6,000,000 (\$29,199,000), 8.2 per cent of which was paid out in support of labor disputes, 23.3 per cent for the relief of members out of work for other reasons, and an almost equal amount (22.5 per cent) for working and miscellaneous expenses. The remainder, amounting to 46 per cent of the total, was paid out for various other benefits than those already named, principally sick and accident, superannuation, and funeral benefits.

The annual percentages for the different forms of benefits reflect pretty closely the industrial condition of the country, which improved during the first half of the period under review, while during the latter part employment declined.

Eight principal groups of industries and a group of miscellaneous trades are embraced in the 100 principal unions considered. The next table shows income and objects and amount of expenditure for each of these groups for the year 1907, with the amount of capital at the beginning and end of the year.

NUMBER OF MEMBERS AND INCOME AND EXPENDITURES OF 100 PRINCIPAL TRADE UNIONS OF THE UNITED KINGDOM, BY GROUPS OF TRADES, 1907.

[Source: Board of Trade Report on Trade Unions, 1909.]

Item.	Building trades (13 unions).	Mining and quarrying (16 unions).	Metal trades, engineering, and shipbuilding (15 unions).	Textile trades (20 unions).	Clothing trades (4 unions).
Membership at end of 1907.....	170,228	352,754	279,436	186,595	49,490
Funds:					
At end of 1906.....	\$1,785,709	\$6,159,923	\$8,164,659	\$4,251,423	\$528,901
Per capita.....	10.35	21.07	30.48	26.06	12.15
Income:					
In 1907.....	1,891,462	1,972,602	4,477,579	1,196,108	297,513
Per capita.....	11.11	5.59	16.02	6.41	6.01
Expenditures in 1907:					
Unemployed, travel, etc., benefits.....	564,275	69,411	970,482	241,349	30,936
Dispute benefits.....	32,090	163,446	227,718	87,120	33,510
Sick and accident benefits.....	529,149	318,259	822,593	44,003	89,952
Superannuation benefits.....	356,622	8,074	985,267	28,360	5,353
Funeral benefits.....	104,946	73,479	187,093	28,693	20,055
Other benefits and grants (a).....	47,200	83,918	154,682	126,329	15,962
Working and other expenses.....	383,933	335,633	619,403	183,774	65,007
Total.....	2,018,215	1,052,220	4,027,238	739,898	250,795
Amount per capita of total expenditures...	11.86	2.98	14.41	3.96	5.07
Funds:					
At end of 1907.....	1,658,956	7,060,305	8,615,000	4,707,633	575,619
Per capita.....	9.74	20.07	30.83	25.23	11.63

<sup>a</sup> This item includes grants to members, grants from one union to another, payments to federations, trades councils, congresses, etc.

## NUMBER OF MEMBERS AND INCOME AND EXPENDITURES OF 100 PRINCIPAL TRADE UNIONS OF THE UNITED KINGDOM, BY GROUPS OF TRADES, 1907—Concluded.

Item.	Transport trades, land and sea (10 unions).	Printing and allied trades (7 unions).	Wood-working and furnishing trades (4 unions).	Miscellaneous trades (11 unions).	Total (100 unions).
Membership at end of 1907.....	188,368	48,802	23,971	158,212	1,457,856
<b>Funds:</b>					
At end of 1906.....	\$2,801,376	\$814,384	\$250,912	\$541,388	\$25,298,675
Per capita.....	19.12	17.32	11.07	3.80	19.49
<b>Income:</b>					
In 1907.....	933,896	528,546	284,846	551,006	12,133,557
Per capita.....	4.96	10.83	11.88	3.48	8.32
<b>Expenditures in 1907:</b>					
Unemployed, travel, etc., benefits.....	24,327	190,436	96,323	78,633	2,266,173
Dispute benefits.....	37,175	18,761	26,070	33,121	649,011
Sick and accident benefits.....	103,623	19,184	40,441	72,934	2,100,138
Superannuation benefits.....	35,817	126,480	43,414	5,037	1,594,694
Funeral benefits.....	29,418	33,564	11,373	20,332	508,953
Other benefits and grants (*).....	64,457	18,692	8,594	22,644	542,498
Working and other expenses.....	372,643	82,268	56,427	236,001	2,335,068
Total.....	667,460	489,385	282,642	468,702	9,996,555
Amount per capita of total expenditures...	3.54	10.03	11.79	2.96	6.86
<b>Funds:</b>					
At end of 1907.....	3,067,812	853,545	253,116	623,691	27,435,677
Per capita.....	16.29	17.49	10.56	3.94	18.82

\* This item includes grants to members, grants from one union to another, payments to federations, trades councils, congresses, etc.

Contributions and levies afford practically 90 per cent of the income of these societies, the remaining 10 per cent coming from fines, entrance fees, subscriptions, interest, rents, etc.

The per capita income in the various groups of unions varies considerably, ranging from \$3.48 in the miscellaneous trades and \$4.96 in transportation to \$16.02 in the metal trades. The highest rate was that received by an organization of glass-bottle makers of Yorkshire, whose average income per capita was above 85s. (\$20.68).

The report from which the above data are taken presents for the 100 unions a résumé of their expenditures for various objects for the ten years 1898 to 1907, expressed in the form of percentages. The table is reproduced on the page following.



**AVERAGE ANNUAL EXPENDITURES OF 100 PRINCIPAL TRADE UNIONS IN GREAT BRITAIN FOR SPECIFIED BENEFITS, 1906 TO 1907, BY TRADES.**

[Source: Board of Trade Report on Trade Unions, 1906-1907.]

Group of trade unions.	Per cent of expenditure in 1906-1907 for—							Total expenditures.
	Dispute benefits.	Other benefits.					Working and miscellaneous expenses.	
		Unemployed.	Sick and accident.	Superannuation.	Funeral and other benefits.	Total other benefits.		
Building.....	10.6	21.9	25.9	11.7	8.8	68.3	21.1	\$18,566,354
Mining and quarrying.....	27.3	10.6	21.7	.2	12.7	45.2	27.5	9,844,097
Metal, engineering, and shipbuilding.....	6.6	25.4	21.8	22.5	9.1	78.8	14.6	33,178,464
Textile.....	8.9	30.5	5.0	2.7	20.3	64.5	26.6	6,713,006
Clothing.....	11.9	4.6	41.2	5.0	13.7	64.5	23.6	2,460,366
Transport.....	5.7	5.1	14.2	4.1	16.0	39.4	54.9	5,071,764
Printing and allied trades.	3.9	43.4	4.4	20.8	11.0	79.6	16.5	4,121,127
Woodworking and furnishing.....	9.3	32.0	13.5	15.3	8.8	69.6	21.1	2,288,511
General labor.....	20.8	2.9	7.6	.....	11.9	22.4	56.8	1,922,735
Miscellaneous.....	3.4	33.9	14.5	3.4	8.5	60.3	36.3	1,848,287
Total, 100 unions....	10.3	22.7	20.0	13.3	11.0	67.0	22.7	86,014,711

Not all the unions pay all forms of benefit indicated, the one form that is paid by all when occasion arises being dispute benefits. Of the 100 societies considered, 85, representing 94 per cent of their total membership, paid such benefits in 1904; 82, representing 83 per cent of the membership, paid some form of unemployed benefit; 77 paid sick or accident benefits or made grants to hospitals; 39, having 50 per cent of the membership, paid superannuation benefits; and 87, representing 87 per cent of the membership, paid funeral benefits.

Unemployed benefits are usually distinguished from dispute benefits, though not in every instance. In all cases such benefits serve at least indirectly to maintain wages by giving the unemployed support, thus keeping them out of the labor market as possible underbidders, and this support has been used at times to aid in bringing employers to terms, not by formal strikes, but by withdrawing one man after another and supporting them until the employer was ready to yield. Of similar use are the traveling and emigration benefits, by the aid of which local conditions of a surplus labor supply are relieved and workmen transported to places where they can find employment. By this form of activity the unions perform in some degree the functions of employment agencies. Superannuation benefits are less of a charge on the union than would at first appear, by reason of the fact that they are paid only on the actual discontinuance of work, which a workman is able to indulge in because of the benefit instead of continuing at his trade at a reduced rate, thus disorganizing the wage rate. This aspect of superannuation is not in evidence, however, when the benefits are paid in cases of entire disability. They then

fall into the same class as sick and accident benefits, strictly comparable with the cooperative insurance features of friendly societies. The tables already given set forth in summary form sufficient data to afford a basis for estimating the importance of these various forms of benefits, both by reason of their total magnitude and by reason of their wide distribution, especially among the more skilled groups of workmen.

The table given on the preceding page shows the relative importance of each class of benefits during the ten years 1898 to 1907 in the different groups of trade unions. The absolute amounts of such payments for each class and the movement during the same period are shown by the tables given below. Taking first the dispute benefit, the next table shows for each group and for 100 principal unions the actual expenditure for this object. In some cases the line was not clearly drawn between dispute benefits and unemployed benefits. The amounts have been separated by estimate, however, and distributed under the two heads.

DISPUTE BENEFITS PAID BY 100 PRINCIPAL TRADE UNIONS IN GREAT BRITAIN, BY INDUSTRIES, 1898 TO 1907.

[Source: Board of Trade Report on Trade Unions, 1906-1907.]

Year.	Build- ing.	Mining and quarry- ing.	Metal, engineer- ing, and ship- building.	Textile.	Cloth- ing.	Trans- port.	Printing, paper, etc.	Other trades.	Total, 100 principal unions.
1898.....	390,512	\$244,065	\$923,092	\$83,607	\$33,019	\$52,120	\$16,541	\$145,006	\$1,588,562
1899.....	281,323	89,203	64,559	28,805	15,495	12,833	14,599	77,061	583,878
1900.....	337,662	56,787	133,293	58,457	32,878	54,086	14,113	59,810	747,086
1901.....	412,947	328,294	122,602	42,762	20,045	23,169	16,274	55,877	1,021,979
1902.....	172,381	625,550	80,662	53,673	16,570	14,040	24,133	77,251	1,064,260
1903.....	211,328	294,686	84,186	69,416	81,353	28,887	10,312	56,685	836,853
1904.....	118,796	226,351	92,765	69,338	11,967	18,279	26,931	40,416	604,833
1905.....	279,722	357,878	199,930	62,009	32,333	35,379	9,490	48,913	1,025,654
1906.....	34,211	301,061	260,781	40,684	26,420	11,427	9,894	55,488	739,966
1907.....	32,000	163,446	227,719	87,120	23,510	37,175	18,760	59,191	649,011

The per capita expenditure above indicated amounted to 2s. ½d. (50 cents) in 1899, rising to 3s. 7d. (87 cents) in 1902, and falling to 1s. 10d. (45 cents) in 1907. The highest rate was 5s. 11½d. (\$1.45) in 1898, owing chiefly to a great dispute in the engineering trade which occurred during 1897-8.

Unemployed benefits, as the term is used in the report from which the table following is taken, include travel and emigration benefits as well as support for unemployed members. The table covers the same field as that given above.

**UNEMPLOYED BENEFITS PAID BY 100 PRINCIPAL TRADE UNIONS IN GREAT  
BRITAIN, BY INDUSTRIES, 1898 TO 1907.**

[Source: Board of Trade Report on Trade Unions, 1905-1907.]

Year.	Build- ing.	Mining and quarry- ing.	Metal, engineer- ing, and ship- building.	Textile.	Cloth- ing.	Trans- port.	Printing, paper, etc.	Other trades.	Total, 100 principal unions.
1898.....	\$108,275	\$67,849	\$508,598	\$163,463	\$3,772	\$186,522	\$124,913	\$70,486	\$1,136,878
1899.....	118,144	50,655	391,812	128,753	2,745	14,682	137,771	53,619	898,181
1900.....	225,577	22,094	485,556	295,796	2,433	17,578	172,323	77,236	1,271,592
1901.....	326,542	89,909	646,914	214,121	2,740	16,935	177,476	108,260	1,582,897
1902.....	359,167	94,347	992,596	271,298	4,832	16,473	182,470	169,096	2,090,279
1903.....	393,087	89,875	1,094,719	553,540	9,645	17,471	188,285	165,748	2,512,370
1904.....	668,565	235,553	1,478,194	345,638	15,495	21,413	199,025	223,640	3,187,523
1905.....	695,846	173,072	1,108,331	118,879	19,914	23,043	213,819	192,115	2,545,014
1906.....	611,038	148,842	764,707	117,034	20,464	21,403	201,410	178,644	2,063,542
1907.....	564,276	69,411	970,482	241,349	30,936	24,328	190,436	174,955	2,266,169

The above table shows a wide range of fluctuations in the matter of unemployed benefits, with a steady growth in the total from 1899 to 1904, after which time it fell off for two years. The sum of this benefit more closely reflects industrial conditions than any other, the industrial depression of the years 1902 to 1905 effecting marked increases in the sums paid. The group of societies included under the head "Metal, engineering, and shipbuilding" trades is responsible for the largest amount chargeable to any single group.

The table next given shows for the period under review the amount paid out per member as unemployed benefits by each of the five largest unions in this group.

**UNEMPLOYED BENEFITS PAID PER CAPITA BY EIGHT PRINCIPAL TRADE UNIONS  
IN GREAT BRITAIN IN METAL, ENGINEERING, AND SHIPBUILDING TRADES, 1898  
TO 1907.**

[Source: Board of Trade Report on Trade Unions, 1905-1907.]

Year.	Amalga- mated Engi- neers.	Boiler Makers and Ship- builders.	Iron Founders (Eng- land).	Ship- wrights.	Amalga- mated Carpen- ters and Joiners.	Operative Brick- layers.	Durham Miners.	Boot and Shoe Op- eratives.	Tramway and Vehicle Workers.
1898.....	\$2.56	\$4.23	\$2.54	\$2.51	\$2.96	\$2.57	\$1.88	\$1.87	\$2.11
1899.....	2.67	4.16	2.84	2.66	2.91	2.71	1.83	2.03	2.42
1900.....	2.77	4.23	2.95	2.64	2.92	2.91	1.94	1.98	2.14
1901.....	2.64	4.77	2.68	3.00	2.99	3.06	2.00	2.01	2.12
1902.....	2.65	5.46	2.67	3.26	3.00	3.37	2.18	2.12	1.47
1903.....	2.66	6.16	2.64	3.41	2.89	3.58	2.34	1.98	4.02
1904.....	2.73	6.64	2.69	3.66	3.18	4.13	2.48	2.02	3.65
1905.....	2.67	6.67	2.82	4.26	3.39	4.52	2.82	1.99	3.17
1906.....	2.66	6.35	3.19	3.84	3.58	4.63	2.91	2.20	3.15
1907.....	2.64	6.42	3.21	4.25	3.38	4.77	2.87	1.68	2.94

Details as to the administration of unemployment benefits are presented below from the accounts of the London Society of Compositors, whose history covers more than a century, and whose records on this point are available from 1848. During this period up to the year 1903 unemployed benefits have demanded practically one-half the total receipts, quite exceeding that proportion for the four years 1900 to 1903.

An examination of the table following discloses the fact that it is not so much a matter of increase in the proportion of members receiving

such benefits, or even in the actual numbers, but rather in the average amount of relief paid each claimant.

The table follows:

STATISTICS OF UNEMPLOYED BENEFITS PAID BY THE LONDON SOCIETY OF COM-  
POSITORS, 1882 TO 1903.

[Source: Fifty-sixth Annual Report of the London Society of Compositors, 1903.]

Year.	Number of mem- bers.	Subscrip- tions.	Number of claim- ants.	Per cent of claim- ants of member- ship.	Unemployed benefits.			
					Total.	Per cent of subscrip- tions.(a)	Average amount paid claimants.	Average weekly cost per member.
1882.....	5,660	\$42,270	1,180	20.8	\$23,363	55.3	\$19.80	\$0.081
1883.....	5,850	45,196	1,227	21.0	20,148	44.6	16.42	.066
1884.....	6,175	48,624	1,209	19.6	19,492	40.1	16.12	.061
1885.....	6,435	51,143	1,435	22.3	25,636	50.1	17.86	.076
1886.....	6,585	50,758	1,455	22.1	26,485	52.2	18.20	.076
1887.....	7,025	55,057	1,429	20.3	23,084	41.9	16.15	.061
1888.....	7,400	58,318	1,555	21.0	26,981	46.3	17.34	.071
1889.....	7,955	62,739	1,505	18.9	25,250	40.2	16.77	.061
1890.....	8,910	73,017	1,545	17.3	26,956	36.9	17.44	.056
1891.....	9,350	81,172	2,081	21.7	51,773	63.8	25.49	.107
1892.....	9,798	88,466	2,256	23.0	57,942	65.5	25.69	.112
1893.....	10,151	95,700	2,447	24.1	57,744	60.3	23.60	.112
1894.....	10,011	125,619	2,636	26.3	80,704	64.2	30.62	.157
1895.....	10,280	133,281	2,151	20.9	58,062	43.6	26.99	.107
1896.....	10,558	147,657	2,041	19.3	51,675	35.0	25.32	.096
1897.....	10,780	131,786	1,922	17.8	49,058	37.2	25.52	.086
1898.....	11,079	135,811	1,991	18.0	46,542	34.3	23.37	.081
1899.....	11,415	138,504	2,166	19.0	62,871	45.4	29.03	.107
1900.....	11,287	142,529	2,546	22.6	77,226	54.2	30.33	.132
1901.....	11,355	139,420	2,552	22.5	76,850	55.1	30.11	.132
1902.....	11,244	137,005	2,511	22.3	75,360	54.8	30.01	.127
1903.....	11,270	<sup>b</sup> 142,123	2,294	20.4	76,921	54.1	36.70	.132

<sup>a</sup> Computed.                      <sup>b</sup> Not including amount refunded in connection with the levy.

Disability caused by sickness or accident is compensated for by the majority of the one hundred principal unions under consideration, the actual number making payments of this kind in 1907 being 77. Payments of this nature are made weekly for the most part, though payments of lump sums are sometimes made in cases of accident. Benefits of this class also include medical attendance and grants to hospitals. The amount of such benefits paid by 100 principal unions and by the constituent groups for the ten years 1898 to 1907 are shown in the following table:

SICK AND ACCIDENT BENEFITS PAID BY 100 PRINCIPAL TRADE UNIONS IN GREAT  
BRITAIN, BY INDUSTRIES, 1898 TO 1907.

[Source: Board of Trade Report on Trade Unions, 1905-1907.]

Year.	Build- ing.	Mining and quar- rying.	Metal, en- gineering, and ship- building.	Textile.	Cloth- ing.	Trans- port.	Print- ing, paper, etc.	Other trades.	Total, 100 princ- pal unions.
1898.....	\$368,141	\$135,863	\$553,676	\$28,790	\$110,431	\$43,249	\$16,561	\$37,895	\$1,294,606
1899.....	396,333	154,906	592,783	33,579	107,170	49,867	18,405	44,100	1,399,143
1900.....	444,263	164,273	631,482	29,681	104,576	58,072	18,517	47,103	1,497,967
1901.....	467,564	172,381	661,343	31,457	115,253	57,595	17,816	60,432	1,583,841
1902.....	481,891	190,460	706,713	34,173	100,503	54,879	17,836	69,659	1,656,114
1903.....	499,926	211,848	756,439	28,333	93,417	86,823	18,026	75,810	1,770,622
1904.....	527,714	233,251	797,809	30,430	99,364	89,412	18,590	85,067	1,881,637
1905.....	544,114	268,509	817,368	36,586	97,860	84,113	17,456	89,490	1,955,496
1906.....	540,005	280,642	841,145	36,513	94,405	90,892	18,283	97,321	2,011,811
1907.....	529,149	318,259	882,593	44,003	89,952	108,623	19,184	113,375	2,100,138

The increase in the amount of this benefit is constant during the period covered, but is to be accounted for in part by the increased rate allowed by two important unions and also by the adoption of this form of benefit by three others. There has also been an increase in some cases in the number of members subscribing to the voluntary sick fund. These facts do not account for the entire movement, however, and a study of the trade conditions during these years leads to the conclusion that unemployed and sick benefits are affected by the same causes, and suggest that the latter benefit is frequently required to meet the needs of workmen debilitated from lack of proper food, while under such circumstances recuperation from sickness or the effects of accident is necessarily delayed.

In the preceding table it is shown that the larger part of the sick and accident benefits paid by 100 principal unions is paid by the first three groups of trades. Data are given for 9 unions, representative of the principal trade groups, showing the per capita expenditure for this benefit for the ten years 1898 to 1907. These 9 unions paid more than 70 per cent of the total outgo on this account.

PER CAPITA COST OF SICK AND ACCIDENT BENEFITS IN NINE REPRESENTATIVE TRADE UNIONS, 1898 TO 1907.

[Source: Board of Trade Report on Trade Unions, 1906-1907.]

Year.	Amalgamated Engineers.	Boiler Makers and Shipbuilders.	Iron Founders (England).	Shipwrights.	Amalgamated Carpenters and Joiners.	Operative Bricklayers.	Durham Miners.	Boot and Shoe Operatives.	Tramway and Vehicle Workers.
1898.....	\$2.56	\$4.23	\$2.54	\$2.51	\$2.96	\$2.58	\$1.88	\$1.86	\$2.11
1899.....	2.67	4.16	2.84	2.66	2.91	2.71	1.83	2.03	2.42
1900.....	2.77	4.23	2.96	2.64	2.92	2.91	1.94	1.98	2.14
1901.....	2.64	4.77	2.68	3.00	2.99	3.06	2.00	2.01	2.12
1902.....	2.65	5.46	2.67	3.26	3.00	3.37	2.18	2.12	1.47
1903.....	2.66	6.16	2.64	3.41	2.89	3.58	2.34	1.98	4.03
1904.....	2.73	6.64	2.69	3.70	3.18	4.13	2.48	2.02	3.65
1905.....	2.67	6.66	2.82	4.26	3.39	4.52	2.82	1.99	3.17
1906.....	2.66	6.36	3.19	3.84	3.58	4.63	2.91	2.21	3.15
1907.....	2.64	6.42	3.21	4.25	3.38	4.77	2.87	1.68	2.94

This table shows in general that this benefit is an increasing burden on the membership of trade unions, though the cost varied but little throughout the period in the case of the Amalgamated Engineers, and no clear increase is shown in the case of the Boot and Shoe Operatives. The abrupt increase in cost to the Tramway and Vehicle Workers in 1903 is to be accounted for in part at least by an increase in the amount of benefits paid by this union on this account at that time. The decrease in per capita cost in the same union for the last three years of the period is due to very considerable accessions of members.

A common rate of compensation is 10s. (\$2.43) per week for periods ranging from 13 to 26 weeks, after which some unions pay a reduced rate, while others discontinue it altogether. One union (the Opera-

tive Bricklayers) pays 15s. (\$3.65) weekly, while two others pay 12s. (\$2.92).

Provision for the payment of superannuation benefits is made by a comparatively small number of the unions under review, these being for the most part in the engineering, shipbuilding, building, and printing trades, though among miners the permanent relief societies pay such benefits. The movement in favor of provision for old age is a growing one and has been said to be the most popular benefit of any provided for by the societies maintaining such a fund. The argument that the public and not the fellow-craftsmen of a workman becoming disabled through age should be responsible for his support, and the fact that such provision is now made by the public, may be expected to influence the adoption of this form of relief. No data are available, however, to show the result of the recently effective old-age pension act in this respect.

The right to superannuation benefits depends not only on age and term of membership in the union, but frequently also on actual total or partial disability of the member to continue to work at his trade. Rates vary considerably, ranging from 2 to 12 shillings (\$0.49 to \$2.92) per week, though in the majority of cases the range is from 5 to 10 shillings (\$1.22 to \$2.43) weekly.

The tables following show the total amount expended for superannuation during each of the years 1898 to 1907, by such of the 100 principal unions as paid this benefit and the membership and benefits paid by 32 unions which have paid superannuation benefits during the entire period:

**SUPERANNUATION BENEFITS PAID BY 100 PRINCIPAL TRADE UNIONS IN GREAT BRITAIN, BY INDUSTRIES, 1898 TO 1907.**

[Source: Board of Trade Report on Trade Unions, 1905-1907.]

Year.	Amalgamated Engineers.	United Boiler Makers.	Friendly Iron Founders.	Other unions in metal, etc., trades.	Amalgamated Carpenters and Joiners.	Other unions in building trades.	Print- ing and book- binding trades.	All other trades.	Total, 100 principal unions.
1898.....	\$363,474	\$38,202	\$62,564	\$54,748	\$71,357	\$50,086	\$49,590	\$82,891	\$772,912
1899.....	385,685	64,067	64,413	56,845	79,168	51,395	51,994	90,838	844,425
1900.....	407,847	69,644	67,824	60,617	90,541	54,914	61,036	81,655	894,078
1901.....	439,878	76,078	73,396	64,890	103,900	61,912	71,620	69,265	960,939
1902.....	466,050	89,349	79,572	69,562	119,146	70,248	81,606	80,283	1,055,816
1903.....	493,560	102,917	85,290	75,304	137,956	80,127	90,264	91,578	1,156,996
1904.....	541,972	124,393	95,685	83,285	155,801	90,892	98,235	101,170	1,291,433
1905.....	566,159	140,194	96,702	92,790	175,987	104,513	109,321	106,525	1,391,191
1906.....	588,491	157,154	96,741	96,522	195,697	124,271	118,961	111,725	1,489,582
1907.....	603,033	175,695	99,486	107,053	210,841	145,781	126,480	126,325	1,594,694



NUMBER AND PER CENT OF MEMBERS SUPERANNUATED AND SUPERANNUATION PAYMENTS PER MEMBER AND PER SUPERANNUATED MEMBER FOR 32 TRADE UNIONS, 1898 TO 1907.

[Source: Board of Trade Report on Trade Unions, 1905-1907.]

Year.	Membership at end of year.			Superannuation payments.		
	Total.	Superannuated.		Total.	Per member per annum.	Per beneficiary per week.
		Number.	Per cent of total.			
1898.....	425,238	7,853	1.8	\$730,267	\$1.72	\$1.79
1899.....	446,848	8,369	1.9	796,609	1.78	1.83
1900.....	462,394	9,030	2.0	856,806	1.86	1.83
1901.....	467,637	9,801	2.1	938,251	2.01	1.84
1902.....	474,314	10,584	2.2	1,025,858	2.16	1.87
1903.....	476,988	11,662	2.4	1,120,891	2.35	1.86
1904.....	473,597	12,796	2.7	1,249,800	2.64	1.88
1905.....	471,839	13,792	2.9	1,345,621	2.85	1.88
1906.....	482,726	14,636	3.0	1,438,289	2.98	1.89
1907.....	496,042	15,604	3.1	1,530,436	3.07	1.89

The per capita cost of this benefit has grown steadily from \$1.72 in 1898 to \$3.07 in 1907, the net per capita increase for the ten years amounting to 78.5 per cent.

The Amalgamated Society of Engineers pays out the largest amount in superannuation benefits, its payments in 1907 forming 37.8 per cent of the total, the per capita cost of such relief to this union being 22s. 6d. (\$5.47).

The next table shows the number and percentage of beneficiaries and the amount of benefits paid and the percentage such amount is of the total income, for certain principal groups of trade unions in 1898 and 1907.

SUPERANNUATION BENEFITS IN CERTAIN PRINCIPAL TRADE UNIONS IN THE UNITED KINGDOM, BY TRADE GROUPS, 1898 AND 1907.

[Source: Board of Trade Report on Trade Unions, 1905-1907.]

Trade group.	Beneficiaries.				Benefits paid.			
	1898.		1907.		1898.		1907.	
	Num-ber.	Per cent of mem-ber-ship.	Num-ber.	Per cent of mem-ber-ship.	Amount.	Per cent of total in-come.	Amount.	Per cent of total in-come.
Building trades (8 unions).....	1,470	0.9	4,091	2.6	\$121,443	8.3	\$356,622	19.4
Coal mining (3 unions).....	8	(a)	220	.3	477	.3	8,074	2.0
Metal, engineering, and ship- building trades (11 unions).....	5,298	2.6	9,456	3.6	518,988	13.4	985,267	22.6
Textile trades (2 unions).....	(b)	(b)	c 178	c 5.6	9,256	2.0	28,630	5.3
Clothing trades (2 unions).....	500	2.6	105	.06	29,510	19.5	5,353	4.6
Transport trades (3 unions).....	127	.2	398	.3	11,923	2.8	35,817	5.5
Printing and bookbinding (7 unions).....	521	1.3	1,239	2.5	49,590	13.5	126,480	23.9
Woodworking and furnishing (3 unions).....	333	2.8	494	2.9	26,956	19.2	43,414	21.1
Miscellaneous (1 union—glass- bottle makers).....	81	3.0	95	3.8	4,769	8.4	5,037	8.5
Total (40 unions).....	c 8,338	c 1.6	c 16,276	c 2.3	772,912	10.9	1,594,694	18.3

a Less than one-tenth of 1 per cent.

b Not reported.

c One union not reporting.



While the actual numbers and amounts above presented show an increase of practically 100 per cent in the period covered, the percentage of increase in the number of beneficiaries is but from 1.6 to 2.3, while the percentage of income devoted to this purpose grew from 10.9 to 18.3. Wide differences of tendency are shown in the different trade groups, though in every group but one an increase is shown, and in some cases this increase is quite large.

It is possible to present a conspectus of the number of members of the Friendly Society of Iron Founders receiving benefits of various sorts during each month of the year, the average for the year, and the per cent such average is of the total membership, for the period 1894 to 1908. The table follows:

NUMBER OF MEMBERS OF THE FRIENDLY SOCIETY OF IRON FOUNDERS RECEIVING OUT-OF-WORK, SICK, AND SUPERANNUATION BENEFITS EACH MONTH, AND PER CENT OF TOTAL MEMBERSHIP ANNUALLY RECEIVING SUCH BENEFITS, 1894 TO 1908.

[Source: Annual Reports of the Friendly Society of Iron Founders of England, Ireland, and Wales, 1908 and 1909.]

OUT-OF-WORK BENEFIT.

SICK BENEFIT.

1894.....	443	407	413	385	366	341	349	329	353	336	332	392	392	2.5
1895.....	396	400	376	425	350	328	333	337	342	353	380	432	396	2.6
1896.....	397	406	581	386	372	351	367	345	368	409	436	448	391	2.5
1897.....	467	475	403	452	395	426	401	413	384	367	398	416	420	2.5
1898.....	447	461	450	424	412	400	406	418	409	428	450	492	433	2.6
1899.....	482	572	582	490	459	428	445	454	462	468	435	543	485	2.7
1900.....	691	670	544	494	440	397	462	415	422	434	480	482	494	2.7
1901.....	479	530	537	502	499	447	468	469	463	448	479	556	487	2.7
1902.....	511	544	503	451	453	466	422	431	453	471	461	545	476	2.6
1903.....	587	527	491	452	444	460	439	427	417	424	439	473	465	2.5
1904.....	536	525	511	437	449	460	431	443	445	454	468	592	481	2.6
1905.....	631	547	484	445	439	472	469	439	451	427	485	532	485	2.6
1906.....	539	531	526	530	522	485	485	504	510	503	538	658	528	2.8
1907.....	640	666	593	535	528	486	485	489	493	484	525	694	544	2.8
1908.....	656	699	663	606	523	435	452	451	432	499	479	529	544	2.8

NUMBER OF MEMBERS OF THE FRIENDLY SOCIETY OF IRON FOUNDERS RECEIVING OUT-OF-WORK, SICK, AND SUPERANNUATION BENEFITS EACH MONTH, AND PER CENT OF TOTAL MEMBERSHIP ANNUALLY RECEIVING SUCH BENEFITS, 1894 TO 1908—Concluded.

**SUPERANNUATION BENEFIT.**

Year.	Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Average for the year.	Per cent of total members.
1894.....	639	648	649	643	656	657	656	650	656	650	674	667	665	4.3
1895.....	645	679	674	676	676	672	668	670	680	692	679	701	676	4.4
1896.....	680	696	695	703	720	702	704	687	690	700	704	708	701	4.5
1897.....	706	698	704	711	718	717	718	724	720	731	734	737	718	4.3
1898.....	737	732	740	746	736	738	735	745	741	752	753	777	744	4.4
1899.....	759	757	754	756	766	748	752	758	765	756	765	810	762	4.3
1900.....	773	775	776	783	782	790	786	800	801	800	805	845	794	4.4
1901.....	827	841	838	839	830	852	838	848	853	861	882	917	852	4.7
1902.....	893	906	905	902	912	929	910	929	918	954	952	952	922	5.0
1903.....	966	985	969	971	979	980	996	993	1,000	997	1,014	1,025	989	5.4
1904.....	1,028	1,049	1,048	1,058	1,060	1,060	1,069	1,072	1,092	1,094	1,128	1,148	1,077	5.8
1905.....	1,107	1,106	1,114	1,114	1,109	1,111	1,100	1,128	1,115	1,129	1,133	1,176	1,120	6.1
1906.....	1,120	1,121	1,124	1,119	1,111	1,125	1,116	1,110	1,111	1,106	1,117	1,162	1,120	5.9
1907.....	1,141	1,127	1,137	1,135	1,134	1,140	1,146	1,157	1,160	1,154	1,162	1,202	1,151	5.9
1908.....	1,189	1,191	1,190	1,209	1,198	1,211	1,147	1,238	1,253	1,281	1,265	1,282	1,222	6.4

**TOTAL FOR THE THREE BENEFITS.**

A review of this table shows the fluctuations in the out-of-work benefit to be expected from changes in trade conditions, a practically uniform rate of sick benefit, and an increase in the superannuation benefit. This reappears in each of the reports on the subject of superannuation and suggests that the question is likely to be of increasing importance to the unions and societies undertaking to make such provisions for their members. At the beginning, the tendency has been to underestimate the cost of superannuation and to make promises that are more liberal than the contributions proposed can fulfill.

The experience of the Amalgamated Society of Engineers, the union paying the largest amount of superannuation, may be cited. Organized in 1850, it fixed its superannuation benefit at 5s. (\$1.22) per week for members over 50 years of age affiliated for 18 years with any one of the societies amalgamated, and not earning over 10s. (\$2.43) per week. In 1864 the superannuation benefit was increased to 7s. (\$1.70) per week for men of 50 years of age and 18 years' mem-

bership, but 8s. (\$1.95) per week were promised to members of 25 years' membership, and 9s. (\$2.19) for members of 30 years' standing. It was further provided that members should be entitled to this benefit irrespective of their income from other sources. The estimated cost of the benefit was placed at 1s. (24 cents), but by 1874 there were 446 members on this fund, costing the society at the rate of 4s. 5d. (\$1.07) per member. In spite of this showing, a further increase in the rate of the benefit was made, fixing it at 10s. (\$2.43) per week for members of 40 years' standing. Rules were adopted looking to a more careful administration, but by 1884 superannuation claimed 20 per cent of the income of the society, as against one-half of 1 per cent in 1851. The average age of members applying for superannuation was said in 1885 to be 59 years, after an average term of membership of 31 years and 11 months. Later action on the subject extended the length of membership necessary to eligibility for superannuation from 18, 25, 30, and 40 years to 25, 30, 35, and 40 years for weekly payments of 7s., 8s., 9s., and 10s. (\$1.70, \$1.95, \$2.19, and \$2.43), respectively, but in spite of this change the total and relative cost of this benefit has grown constantly and rapidly.

It is not necessary to discuss in this connection the difficulties attendant on the administration of benefits and the advantages and disadvantages of localized and centralized societies in the matter of watching over sick and other persons claiming benefits, since these points are considered in some detail in the portion of this chapter relating to friendly societies. It will be of interest, however, to examine the provisions made in the rules of a typical trade union for the administration of benefits and the prevention of abuses in connection therewith.

The rules selected are those of the Associated Shipwrights' Society.<sup>(a)</sup> They provide that all applications for benefits must be made in writing to the secretary. For this purpose simple blank forms are prepared on which the applicant writes his name, address, the date of application, the place where he worked, the cause of his disability, and the date at which the disability began. The application must be presented with the member's pence book in order to show that he is in good standing. While a member is receiving a sick or accident benefit, he is supplied with a sick form, which must be signed each week by the visiting surgeon, as well as by the sick visitor appointed by the society. The applicant for relief is expected to furnish the fullest information possible and to be present at the committee meeting if required and if able to do so.

The application for sick, accident, superannuation, or funeral benefit must be made to the secretary within three days after the date from

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<sup>a</sup>This abstract is taken from an article on "Benefit Features of British Trade Unions," by Walter E. Weyl, in Bulletin No. 64 of the U. S. Bureau of Labor.

which benefit is claimed. In case of the failure of the applicant to report on time, payment will begin with the second day previous to date of application. When the branch or district has secured the services of a medical adviser, the secretary must notify the one belonging to the branch or district in question to visit the member. In case the member is able to visit the surgeon, he is required to do so at least once a fortnight, or as often as necessary, in order to secure a certificate of unfitness for work; otherwise he receives no benefit.

The committee is expected to scrutinize the application of each member, as well as the medical certificate and all other accompanying evidence, and if not satisfied this committee has the power to demand further medical or other evidence, and if thought desirable to send a physician to visit the applicant. The rules specifically state that no member shall be paid until the committee is fully assured of the justice and legality of the claim. When the committee is satisfied, it authorizes the treasurer to make payment after deducting all arrears of contributions, fines, and levies, and all money of any sort due from the member to the society.

When members reside or work outside the district or at a distance, they are expected to make application to the secretary, inclosing their pence book and the medical certificate within fourteen days from the date of such certificate and every two weeks during the illness. In all these cases the benefit is paid from the date of the certificate. No member is entitled to receive any sick benefit for "any day that he has worked a part of," nor are members allowed to receive benefit for any period less than three working days. A claim for sick benefit by any member residing in the United Kingdom is considered to have lapsed when not presented within one month. Upon the recovery of the member he immediately notifies the secretary in writing, but the member retains his sick form until the full amount due to him is paid, after which he is obliged to return the sick form, duly signed by the surgeon, and acknowledge in full the sum sent him.

One of the hardest benefits to administer is the unemployed or out-of-work benefit, which frequently involves questions of considerable difficulty. A member is entitled to unemployed benefit when he is thrown out of work under circumstances satisfactory to his local union and when he has continued out of work for six consecutive days. The payment, moreover, is construed to begin from the fourth day after signing the vacant book and may continue for twenty weeks, but no further sums may be paid for unemployment during the next twelve months. The pay for the first ten weeks is at a higher rate than for the last ten weeks. Even after the lapse of the twelve months a member may not again receive benefit of any character unless he has worked at least four weeks in a trade and received the current rate of wages, and he may not receive the higher rate of benefit unless he has had

twelve months clear of this unemployed benefit. Unemployed benefit is not paid for less than three days, the first three days' payment being made at the end of the sixth day after the unemployed man first signs the vacant book.

The rules of the society define unemployment with considerable exactness. An unemployed member must be one who is willing to work, but can not find employment. He is not considered unemployed and is not entitled to receive out-of-work benefit if he left work of his own accord, if he was dismissed for irregularity, if he absented himself without leave (except for sickness), if he was intemperate, if his conduct was imprudent, or if his unemployment resulted from a "captious and voluntary self-dismissal." A member unable to work by reason of accident, illness, or any disability which would entitle him to sick benefit may not receive out-of-work or idle benefit. If a member out of work and in receipt of unemployed benefit becomes sick, he is removed from the unemployed benefit and placed on the sick roll, and the unemployed benefit is stopped until he is again able to resume work if work is offered. A member does not receive unemployed benefit for the usual holidays of the city or trade, nor for the special holidays given by the firm with which he may be connected. The rules provide, however, that persons in receipt of unemployed benefit before the holidays may have the benefits continued during the holidays.

In order to prevent fraud, the society provides that the applicant for the unemployed benefit must, within forty-eight hours, state in writing to the secretary the cause of his being unemployed and, similarly, must give notice within forty-eight hours of his resumption of work.

The vacant book in which the men sign is a book of uniform pattern in all the local unions. It is kept at some known place which is determined by the local union. During the period of unemployment a member residing within 3 miles of this place must sign his name daily at some time between 9 a. m. and 5 p. m. or forfeit one day's allowance. If he resides from over 3 to 7 miles from the place, he may sign at such intervals as the local union determines, but not less than twice a week. If a member is traveling from one district to another in search of employment, he may receive the benefit in the local union visited by signing the book.

No member is entitled to the sick benefit or the funeral benefit until twelve months from the time that he has paid his initiation fee. If only six months have elapsed, he may receive half this benefit. Members receive the sick benefit when they are unable to follow their usual, or any other, employment through accident or disease, provided the disability has not been brought on by intemperance or other improper action on their part.

Strict rules are prescribed for members while in receipt of benefit. A member who refuses to be visited while sick receives no benefit, and if a visitor has any doubt as to the illness of the member on benefit the committee has the power to send a physician. No member in receipt of a sick benefit is permitted to be out of his residence later than 9 p. m. from April to September, inclusive, or later than 7 p. m. from October to March, inclusive. A fine is levied for disobedience to this rule, and upon the third offense the donation is stopped. A member on the sick list is also fined if found in a state of intoxication. In case a change of residence is necessary for improving the health of a sick member he may leave the town, provided recommendation to that effect is made by the society's surgeon of the district; but notice must first be given to the secretary, who reports the removal at the committee meeting. During his absence from the city a member must report on the state of his health to the secretary at least once in two weeks, and the statement must be attested by the medical attendant of that place, as well as by two respectable householders.

One of the easiest forms of relief to administer is that of the funeral benefit. While it is to be classed as a friendly rather than a trade benefit, it was paid by 87 of the 100 principal unions. As appears from a prior table, the proportion of expenditure in this behalf ranks below that of any other class of benefits. Its uniformity in amount, its definiteness of proof, and the positiveness of its requirement in every instance, and for but a single time, make it possible to adjust rates and costs with greater accuracy than can be done elsewhere. The following table shows the actual sums paid in this connection by the different groups and the total for 100 principal unions:

FUNERAL BENEFITS PAID BY 100 PRINCIPAL TRADE UNIONS IN GREAT BRITAIN,  
TOTAL AND BY INDUSTRIES, 1898 TO 1907.

[Source: Board of Trade Report on Trade Unions, 1905-1907.]

Year.	Building.	Mining and quarry- ing.	Metal, engineer- ing, and ship- building.	Textile.	Clothing.	Trans- port.	Printing, paper, etc.	Other trades.	Total, 100 principal unions.
1898.....	\$94,615	\$42,124	\$145,820	\$24,118	\$20,979	\$23,403	\$22,819	\$23,311	\$397,180
1899.....	104,362	46,475	161,991	25,345	23,749	27,228	26,746	26,581	442,477
1900.....	111,968	48,626	175,768	26,031	21,783	27,369	28,479	29,588	469,612
1901.....	111,375	61,722	170,979	24,926	19,743	27,608	26,610	26,357	469,320
1902.....	106,104	58,617	171,442	24,410	20,108	29,287	30,002	27,715	467,685
1903.....	102,674	62,340	164,867	25,131	18,967	26,600	28,644	27,126	456,449
1904.....	104,493	62,598	174,367	23,676	18,755	28,342	30,304	27,335	469,870
1905.....	109,545	62,826	173,432	25,238	15,865	28,810	31,666	29,856	477,238
1906.....	101,087	66,783	183,126	25,306	17,802	27,875	32,270	29,632	483,881
1907.....	104,946	73,479	187,093	28,693	20,055	29,418	33,564	31,705	508,953

The amounts paid out as funeral benefits by different unions are far from uniform, the Associated Society of Iron Molders (Scotland) paying as much as £30 (\$146) in some cases, while some branches of



the Amalgamated Cotton Spinners’ Association pay but £2 (\$9.73). The table below shows the amount paid by 12 important unions on the death of members and of members’ wives. The amount expended by these 12 unions accounted for more than one-half the total expenditure on account of funeral benefits in 1907 as shown in the foregoing table.

AMOUNT OF FUNERAL BENEFITS PAID BY 12 PRINCIPAL TRADE UNIONS.

[Source: Board of Trade Report on Trade Unions, 1905–1907.]

Union.	Usual payment on death of—		Union.	Usual payment on death of—	
	Member.	Member's wife.		Member.	Member's wife.
Engineers.....	<sup>a</sup> \$58. 40	\$24. 33	London Compositors (3 to 19 years' membership).....	\$19. 47–97. 33	(b)
Boiler Makers.....	58. 40	29. 20	Typographical Association (1 to 10 years' membership)...	19. 47–48. 67	
Iron Founders.....	48. 67	24. 33	Amalgamated tailors.....	<sup>a</sup> 48. 67	
Amalgamated Carpenters....	<sup>a</sup> 58. 40	24. 33	Railway Servants.....	<sup>c</sup> 24. 33	\$19. 47
Operative Bricklayers.....	<sup>a</sup> 73. 00	24. 33	Coach Makers.....	48. 67	29. 20
Yorkshire Miners.....	29. 20	29. 20			
Durham Miners.....	38. 93	29. 20			

<sup>a</sup> Inclusive of the amount payable on death of wife.  
<sup>b</sup> One-third of member's benefit is payable on death of wife, and is deducted from payment on death of member.  
<sup>c</sup> This society also has a fund from which weekly payments are made on account of orphan children.

The average cost per capita for funeral benefits in the above unions was 1s. 11d. (47 cents) in 1907, as compared with 1s. 5d. (34 cents) in the remaining 75 unions that paid this benefit. Omitting the unions whose benefits of this class are notably small (the two miners’ unions and that of railway servants), the per capita average cost was 2s. 9d. (67 cents).

Trade unions have laid themselves open to the criticism that they have failed to consider duly actuarial facts in the adjustment of their contributions and benefits, while they have of necessity worked under the limitations existing from the lack of authentic tables of expectancy, as has been true of friendly societies. The added difficulty attaching to classes of risks restricted in numbers and peculiarly subject to identical conditions of residence and employment has operated to lead to the embarrassment or dismemberment of the smaller societies, while the larger ones have been compelled to readjust their rates and charges to avoid a similar fate. General statistics of accident and mortality are now available, but the experience of important trade unions possesses for such bodies a value that surpasses the general tables on account of their more accurate reflection of the particular conditions to be met. A few tables showing trade union experience follow.

The first is one showing the deaths per annum of members and members’ wives for a period of fifteen years, 1878 to 1902, and the average age at death in the Associated Iron Molders of Scotland. Besides the deaths shown in the table, one apprentice died in 1902, at the age of 18 years.



## DEATHS OF MEMBERS AND WIVES OF MEMBERS OF THE ASSOCIATED IRON MOLDERS OF SCOTLAND, AND AVERAGE AGE AT DEATH, 1878 TO 1902.

[Source: Monthly report of the Associated Iron Molders of Scotland, January, 1904.]

Year.	Members.		Members' wives.		Year.	Members.		Members' wives.	
	Number of deaths.	Average age.	Number of deaths.	Average age.		Number of deaths.	Average age.	Number of deaths.	Average age.
1878.....	44	47	35	36	1892.....	68	54	51	44
1879.....	49	46	46	43	1893.....	68	54	60	46
1880.....	41	44	43	36	1894.....	73	53	56	44
1881.....	28	44	48	37	1895.....	69	54	54	48
1882.....	55	43	27	38	1896.....	73	54	48	43
1883.....	60	49	40	37	1897.....	67	55	62	43
1884.....	56	48	43	37	1898.....	78	53	50	46
1885.....	30	48	30	39	1899.....	95	54	65	44
1886.....	47	48	47	42	1900.....	101	53	59	50
1887.....	50	43	42	38	1901.....	109	54	48	42
1888.....	50	53	52	43	1902.....	84	54	76	45
1889.....	52	52	46	40	Average.	64	50	49	42
1890.....	65	52	34	43					
1891.....	84	48	60	42					

The Bristol, West of England, and South Wales Operatives' Trade and Provident Society is composed of general laborers, largely agricultural. It was organized in 1873, and had in 1903, 37,269 members. During 1903, 149 members died, the average age being 39 years and 9 months. Their average period of membership was five years and three months.

The following table shows the distribution of these 149 members, according to the number of years of their membership:

## AVERAGE LENGTH OF MEMBERSHIP OF 149 MEMBERS OF THE BRISTOL, WEST OF ENGLAND, AND SOUTH WALES OPERATIVES' TRADE AND PROVIDENT SOCIETY WHO DIED IN 1903.

Classified period of membership.	Members who died in 1903.	Average length of membership.		Classified period of membership.	Members who died in 1903.	Average length of membership.	
		Years.	Months.			Years.	Months.
Under 1 year.....	4	0	10	5 to 6 years.....	19	5	6
1 to 2 years.....	15	1	6	6 to 7 years.....	12	6	5
2 to 2½ years.....	14	2	3	7 to 10 years.....	11	8	0
2½ to 3 years.....	9	2	9	10 to 13 years.....	10	11	3
3 to 3½ years.....	12	3	3	13 to 17 years.....	6	14	7
3½ to 4 years.....	9	3	9	17 to 21 years.....	3	19	11
4 to 5 years.....	21	4	6	Over 21 years.....	4	27	9

The Steam Engine Makers' Society was organized in 1824, and had 10,001 members in 1903. During that year 95 of its members died, at an average age of 51½ years. Sixty-two wives of members died during this year, at an average age of 51½ years.

From 1856 to 1902, inclusive, 352 members of this society died in receipt of superannuation benefits, their average age being 69 years and 2 months, and the average length of their superannuation period 5 years 7½ months. But 2 members were under 55 years of age at death, and 15 between 55 and 60; 78 were 60 or under 65; 83, 65 or

under 70; 101 were 70 or under 75 years of age; 70 were between 75 and 85, and 3 were above the latter age.

The following table shows the distribution of deceased members of the Steam Engine Makers' Society according to the length of time elapsing between their superannuation and their decease:

DECEASED MEMBERS OF THE STEAM ENGINE MAKERS' SOCIETY WHO RECEIVED SUPERANNUATION BENEFITS, BY LENGTH OF TIME SUPERANNUATED, 1856 TO 1902.

[Source: The Seventy-ninth Annual Report of the Steam Engine Makers' Society, 1903.]

Length of time superannuated.	Members.	Length of time superannuated.	Members.
Under 1 year.....	62	12 or under 13 years.....	7
1 or under 2 years.....	40	13 or under 14 years.....	5
2 or under 3 years.....	30	14 or under 15 years.....	7
3 or under 4 years.....	28	15 or under 16 years.....	2
4 or under 5 years.....	33	16 or under 17 years.....	4
5 or under 6 years.....	21	18 or under 19 years.....	3
6 or under 7 years.....	20	19 or under 20 years.....	2
7 or under 8 years.....	22	20 or under 21 years.....	2
8 or under 9 years.....	18	21 or under 22 years.....	3
9 or under 10 years.....	18	22 or under 29 years.....	1
10 or under 11 years.....	14		
11 or under 12 years.....	10	Total.....	352

The next table shows the record of membership, deaths, and superannuation of the Typographical Association for the period 1881 to 1903.

STATISTICS OF MORTALITY AND SUPERANNUATION OF MEMBERS OF THE TYPOGRAPHICAL ASSOCIATION, 1881 TO 1903.

[Source: Typographical Association, 109th Half Yearly Report, 1904.]

Year.	Membership of association.		Total deaths.			Deaths of members 60 years of age or over.		Superannuated members.		
	Total.	Per cent of increase.	Number.	Rate per 1,000 members.(a)	Average age at death.	Number.	Average age at death.	Number, October 1.	Per cent of increase.	Average age on joining superannuation fund.(b)
1881..	5,362	.....	71	13.56	41.56	11	68.54	35	.....	67.35
1882..	5,678	5.89	63	11.20	44.25	14	65.36	42	20.00	64.75
1883..	5,932	4.47	65	11.05	44.23	11	69.00	46	9.52	68.50
1884..	6,170	4.01	65	10.76	42.89	10	67.40	49	6.52	63.60
1885..	6,551	6.18	65	10.05	41.17	7	70.43	64	30.61	66.21
1886..	7,059	7.75	75	10.77	43.84	14	69.21	69	7.81	63.29
1887..	7,498	6.22	90	12.24	45.53	19	69.22	74	7.25	65.50
1888..	7,741	3.24	91	11.88	43.49	13	67.15	82	10.81	62.09
1889..	8,388	8.36	79	9.63	43.00	18	67.56	88	7.32	64.06
1890..	9,016	7.49	119	13.71	44.48	16	68.31	94	6.82	65.32
1891..	10,262	13.82	107	10.94	43.21	22	69.09	100	6.38	65.94
1892..	11,313	10.24	96	8.76	46.46	23	70.35	115	15.00	64.38
1893..	12,027	6.31	135	11.38	44.42	27	69.44	136	18.26	65.62
1894..	12,544	4.30	108	8.66	49.54	31	69.94	149	9.56	64.63
1895..	13,593	8.36	144	10.69	43.43	24	68.50	164	10.07	65.71
1896..	13,906	2.30	140	10.15	45.62	25	70.04	205	25.00	65.84
1897..	14,405	3.59	136	9.66	45.03	23	68.04	223	8.78	65.72
1898..	15,075	4.65	146	9.85	47.42	37	69.43	234	4.93	66.00
1899..	15,854	5.17	177	11.31	45.39	30	70.16	250	6.84	64.83
1900..	16,179	2.05	161	10.02	47.65	37	70.08	293	17.20	64.28
1901..	16,600	2.60	144	8.78	46.53	23	69.65	328	11.95	64.84
1902..	17,243	3.87	154	9.07	47.99	41	69.58	348	6.10	63.85
1903..	17,698	2.64	82	10.40	49.28	44	69.59	365	4.89	65.02

a Calculated half yearly and the results added to obtain rate for year.  
b Not including special grade members. The average age on joining of the 81 special grade members who have been placed on the fund since 1891 was 55.12 and the average age at death of the 35 who died prior to December 26, 1903, was 57.40.

These data are of course only suggestive, but coming down to recent years they indicate the present trend of rates of death and superannuation and the corresponding costs. The actuarial facts affecting the operations of trade unions were presented in extensive reports made in 1867 to 1869 by a parliamentary committee appointed to inquire into the organization and rules of trade unions in the United Kingdom. From what was said in connection with friendly societies, and the showing of the tables just given, as well as from the recent interest in and growth of the movement for providing superannuation, it is clear that data reflecting the conditions of forty years ago can be of only secondary importance at this time.

While the fact involves an element of unsteadiness, it is also true that the power of the trade union to modify its system, or such details as may require change, with greater facility than is the case with institutions of a more stable form, makes for an adaptability that serves to enable them to avoid actual insolvency or disruption by effecting the changes shown to be necessary by current conditions. Another advantage possessed by trade unions is that the risks are composed of a class of men of more than average standing physically. As a writer on the subject has said: "The unions offer their advantages not indiscriminately, but to every young, healthy, skilled workman of good character; his election is not a matter of course." It is of especial importance to unions paying liberal benefits that they should restrict admission on the basis of both age and health. Thus the rules of the Steam Engine Makers' Society provide that "no person shall be admitted a member of the society who is over 35 years of age, unless he has been a member of the society previously for at least seven years consecutively, in which case such candidate can be admitted up to the age of 40 years. All candidates joining the organization at an age above 30 are obliged to provide a certificate of age at their own cost, or some satisfactory proof." In this union the initiation fee increases rapidly with the age of the member, rising from 8s. (\$1.95) at 21 years of age to 80s. (\$19.47), or ten times as much, at 40 years of age. The dues are also higher for members admitted above the age of 30 years, being 1s. (24 cents) per year for each year of age above 30 in addition to the ordinary dues of 1s. (24 cents) per week. Thus a member entering at 35 years of age pays 5s. (\$1.22) per annum in addition to the 52s. (\$12.65) ordinary dues. Candidates, however, may pay the extra dues in a lump sum of 10s. (\$2.43) for each year they exceed the age of 30, if they prefer.

The date of organization of the majority of existing unions is so recent that a standard of superannuation has not yet been attained, the more so as unionism shows as yet a constant and even a rapid growth. As offset to this is the fact that the growth and expense of superannuation benefits are likewise increasing at a rapid rate, so

that the question of a balance of income and expenditure is as yet an open one. Since, however, there is no legal, binding force in the agreement of a trade union to insure members at a rate named, it is not bankruptcy in the eyes of the law for a union to either reduce or even repudiate entirely the payments on account of superannuation, death, or accident benefits. The agreement to pay benefits at all is at best a conditional one, and the refusal of young men to pay increased levies for the benefit of older members is obviously a matter that the union can not penalize beyond the suspension of such recalcitrants, which can not be regarded as a remedy, since it leaves the older members, for whose approaching superannuation provision must be made, the sole contributors to the funds from which they hope to derive the support of their declining years.

The process of what may be called an actuarial education is a slow one, and the efforts of trade unions, as of friendly societies, to get on a correct basis have resulted in secessions and the formation of new societies which, on account of insufficient charges, must of necessity repeat the experience of readjustment within a few years or go to pieces. A certain percentage of the officers and members are impressed with the importance of a safe working margin in the form of accumulated funds, not only because it affords the actual protection needed, but because it unifies the men, making them less likely to abandon the union in some temporary stress or dissatisfaction, thus giving the union a degree of stability and capacity to meet the employer in questions involving the employees' interests that is regarded as making the occasions of dispute much less frequent. On the other hand are those members who, in their anxiety for cheap insurance, insist on keeping the contributions at a low rate, hoping that by some good fortune they will be able to realize the estimated benefits, even though it is most unlikely from the standpoint of the actuary.

In spite of all this, however, and of the actual scaling down of benefits or the increase of the levy, there is still the argument in favor of the union that its chief purpose is not insurance, but the improvement of trade conditions; and if the union is maintained and holds together in times of trade dispute, it may often be felt that it has justified its existence and that its members have reaped greater actual benefit, personally, as well as for their fellow-craftsmen, than if insurance alone had been sought and secured in a form apart from the trade union.

#### FEMALE MEMBERS.

The employment of women, especially numerous in the textile industries, raises the question as to their connection with trade unions, the fact being speedily disclosed that they form but a small percentage of the total membership of such organizations. So far as the

subject of benefits is concerned, they are not even affected in proportion to their actual numbers, since they are for the most part members of unions that pay small benefits. The table given below shows the number of females found in trade unions for each of the ten years 1898 to 1907, by groups of trades:

NUMBER OF FEMALE MEMBERS OF TRADE UNIONS IN THE UNITED KINGDOM, BY GROUPS OF TRADES, 1898 TO 1907.

[Source: Board of Trade Report on Trade Unions, 1906-1907.]

Group of trades.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.
Textile industries....	107,630	110,201	109,819	108,992	111,683	108,005	111,089	121,297	143,139	172,120
Clothing trades.....	4,121	4,323	4,407	3,902	3,719	3,793	4,203	4,299	4,539	6,045
Other trades.....	5,433	7,572	9,856	8,225	8,017	8,817	11,050	11,486	16,209	23,544
Total.....	117,184	122,096	124,082	121,119	123,419	120,615	126,342	137,082	163,887	201,709

The number of trade unions having female members in 1907 was 182, as against 149 in 1896—the first year for which data as to female membership are available—and 154 in 1897. This latter number was not again equaled until 1905, though there has been an increase in both numbers and membership each year since 1903. The total female membership in 1907 was 8.4 per cent of the total membership of trade unions, as compared with 6.7 per cent in 1904 and 6.9 per cent in 1898.

The following table shows more in detail the number and distribution of female members of trade unions in 1907 and the percentage of female trade-unionists found in each trade or group:

NUMBER AND PER CENT OF FEMALE MEMBERS OF TRADE UNIONS IN GREAT BRITAIN, BY TRADE GROUPS, 1907.

[Source: Board of Trade Report on Trade Unions, 1909.]

Trades with which unions are connected.	Unions with female members.			All unions.	
	Number of unions.	Number of female members. (a)	Per cent of all female trade-unionists.	Number of unions.	Number of male and female members.
Textile trades:					
Cotton preparing and spinning.....	19	38,834	19.3	20	97,480
Cotton weaving.....	66	109,834	54.4	128	173,644
Woolen and worsted manufacture.....	5	2,425	1.2	24	12,234
Linen and jute manufacture.....	10	14,467	7.2	20	22,884
Hosiery.....	5	1,826	.9	12	4,965
Other textile trades.....	8	4,734	2.3	59	43,220
Total.....	113	172,120	85.3	263	354,427
Boot and shoe manufacture.....	2	997	.5	13	35,393
Tailoring.....	8	1,326	.7	11	22,701
Hat and cap manufacture.....	3	3,302	1.6	6	8,994
Other clothing trades.....	4	420	.2	10	1,722
Printing, paper, and allied trades.....	5	1,749	.9	39	68,221
Food and tobacco trades.....	6	2,447	1.2	33	18,447
Shop assistants.....	4	5,076	2.5	6	46,117
Other trades.....	30	9,582	4.8	714	1,761,331
Employees of public authorities.....	7	4,690	2.3	78	89,393
Grand total.....	182	201,709	100.0	1,173	2,406,746

<sup>a</sup> In unions which admit both male and female members the exact numbers of each sex are not always known, but the numbers stated in the table are approximately correct.

In some cases the number of females is an estimate rather than an exact report, but enough is positive to show that females form but a small part of the membership in most instances, though in the unions representing the textile trades, in which more than 85 per cent of all female trade-unionists are found, nearly one-half of the members are females.

#### STATISTICS OF ACCIDENTS.

A body of accident statistics is accumulating as a result of the laws relating to industrial inspection and of various laws requiring accidents to be reported, particularly the notice of accidents act, 1894. The last-named law requires employers in certain industries to notify the board of trade of any accident which causes to any person employed in the industry either loss of life or bodily injury, preventing him on any one of the three working days next after the occurrence of the accident from being employed for five hours at his ordinary work. These reports come short of furnishing adequate data from an insurance standpoint by failing to require a report of the period of resultant disability. This leaves the experience of friendly societies and compensation schemes as the more valuable material on which to base insurance estimates. However, these facts do not eliminate pure accident data from consideration in a study of the question of providing protection for workmen from the consequences of their employment, though the value of the data now in hand is lessened by the fact that the standards of reporting nonfatal accidents, as fixed by the various acts, have been changed at comparatively recent dates, and further by the fact that there is said to be an increasing tendency to observe the provisions of the factory and workshops acts in the matter of making reports.

The labor department of the board of trade furnishes a table showing the number of accidents reported in the United Kingdom under the various acts for the years 1898 to 1907, distinguishing fatal from nonfatal accidents. The latter are not comparable industry by industry, owing to differences in the laws governing their report. The better observance of the laws in recent years is said to explain in part the marked increase in the number of accidents reported under the factory acts. The table follows.



## INDUSTRIAL ACCIDENTS IN THE UNITED KINGDOM REPORTED UNDER VARIOUS ACTS, 1898 TO 1907.

[Source: Twelfth Abstract of Labour Statistics of the United Kingdom, 1906-7.]

Year.	Cases under factory and workshop acts.				Cases under coal mine regulation acts.		Cases under metalliferous mines acts.	Cases under quarries act.	Shipping.		Railways.	Cases under notice of accidents acts.	Total.
	Factories and workshops.	Docks, wharves, and quays.	Buildings.	Other works.	Underground.	Above ground.			Merchant vessels.	Fishing vessels.			
<i>Fatal accidents.</i>													
1898.....	577	89	45	16	779	129	33	134	1,139	271	542	56	3,810
1899.....	681	115	53	22	801	115	56	117	1,743	257	584	75	4,619
1900.....	813	132	67	33	899	113	38	127	1,436	394	631	70	4,753
1901.....	782	115	104	34	959	151	30	98	1,514	204	565	75	4,622
1902.....	850	129	89	42	907	117	29	119	1,396	291	485	62	4,516
1903.....	748	159	118	22	917	155	25	95	1,144	218	497	56	4,154
1904.....	727	138	121	32	914	141	35	112	1,062	197	448	58	3,985
1905.....	775	142	117	29	1,033	126	46	99	1,144	266	437	54	4,268
1906.....	799	143	148	26	1,007	135	36	97	1,211	240	483	44	4,369
1907.....	850	167	131	31	1,103	142	34	89	1,066	274	509	57	4,453
<i>Nonfatal accidents.</i>													
1898.....	49,425	4,070	616	2,724	3,615	458	335	1,434	2,354	132	12,979	1,491	79,633
1899.....	60,841	4,591	702	3,755	3,649	466	302	1,167	2,746	150	15,582	2,358	96,369
1900.....	68,155	4,440	1,361	4,019	3,876	558	294	1,031	2,463	115	15,698	2,293	104,303
1901.....	72,358	4,412	2,141	3,814	3,572	432	257	1,065	2,394	133	14,740	1,968	107,286
1902.....	77,341	4,906	2,412	4,586	3,332	413	254	1,190	2,228	157	13,858	1,451	112,128
1903.....	78,757	5,342	2,511	4,943	3,360	462	266	1,426	2,438	143	14,356	1,560	115,570
1904.....	78,913	5,559	2,431	5,047	3,292	462	246	1,312	2,469	127	14,561	1,066	115,515
1905.....	b 99,546				3,231	415	265	1,227	2,273	123	14,335	971	122,386
1906.....	b 110,788				3,410	429	223	1,378	2,289	141	16,256	779	135,693
1907.....	b 123,146				5,149	743	307	1,491	2,554	190	21,514	1,184	156,278

<sup>a</sup> The sum of the items (115,564) does not agree with this total; the figures are given as found in the original report.

<sup>b</sup> Total cases under factory and workshop acts; items not separately reported.

As already explained, the value of the above table as a basis of comparison is less than would be the case if the requirements for reporting nonfatal accidents were uniform. The second variation, that caused by changing standards of enforcement, will doubtless be remedied by the passage of years and the settling down to a uniform degree of observance.

Reports to certifying surgeons are required for certain classes of accidents, describing the cause and nature of the injury. The inspectors of factories and workshops have compiled certain data as to the nature of the injuries received which, while they do not at all dispose of the total number of accidents in any employment, are indicative of the nature of risk and the resultant degree of disability in a considerable number of cases. The statute requires the reporting of accidents in factories and workshops causing loss of life and nonfatal accidents due to any machinery moved by mechanical power or to molten metal, hot liquid, explosion, escape of gas or steam, and, since 1906, to electricity. Prior to the act of December 21, 1906, accidents required to be reported under the explosives act, 1875, were not reported to the certifying surgeon, but since that date, the exception



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is not made. The following table shows the number of accidents reported as above during the five years, 1904 to 1908, for adults (over 18 years of age), by nature of injury, with totals for the period:

ACCIDENTS OCCURRING TO ADULTS EMPLOYED IN FACTORIES AND WORKSHOPS AND REPORTED TO CERTIFYING SURGEONS IN THE UNITED KINGDOM, BY NATURE OF INJURY, 1904 TO 1908.

[Source: Annual reports of inspectors of factories and workshops, 1904 to 1908.]

Nature of injury.	1904.	1905.	1906.	1907.	1908.	Total.	Average.
Fatal.....	929	954	1,011	1,071	939	4,904	981
Loss of right hand or arm.....	51	66	61	68	52	298	60
Loss of left hand or arm.....	53	43	61	45	45	247	49
Loss of part of right hand.....	999	1,100	1,230	1,281	1,149	5,759	1,152
Loss of part of left hand.....	1,017	1,140	1,234	1,252	1,262	5,905	1,181
Loss of part of leg or foot.....	93	90	95	108	61	447	89
Fracture of limbs or bones of trunk.....	632	712	827	844	667	3,682	736
Fracture of hand or foot.....	541	584	628	710	628	3,091	618
Loss of sight of one or both eyes.....	60	57	57	55	36	274	55
Other injury to eyes.....	(a)	(a)	1,247	1,676	1,744	b 4,667	b 1,556
Injuries to head and face.....	3,004	3,583	2,411	2,831	2,734	14,563	2,913
Burns and scalds.....	2,431	2,478	3,200	4,956	4,675	17,740	3,548
Wounds, bruises, and other injuries not specified above.....	13,093	14,181	16,262	19,322	18,659	81,517	16,303
Total.....	22,912	24,968	28,324	34,219	32,651	143,094	28,619

a Not separately reported.

b For three years only.

This table shows a striking uniformity in accident rate in respect of most classes of injuries named, and comparatively slight departures from the average in the number of fatalities annually occurring. Another striking fact is the correspondence between the number of injuries to the right hand or arm and those to the left hand or arm. The last two classes of injuries, including burns and scalds and injuries not specified, show the greatest fluctuation in rates, but the general effect of the table is to indicate the very strong possibility of determining a sufficiently accurate estimate of accident rates to afford a basis for insurance.

The Board of Trade Labour Gazette for April, 1909, presents a report of fatal industrial accidents for 1908, showing 1,283 to have occurred to employees engaged in shipping; 1,194 underground in mines and 149 on the surface; 92 in quarries; 415 to companies' employees on railways, and 17 to contractors' employees; 767 in factories and workshops; 275 in or about docks, warehouses, buildings, etc.; and 32 under the notice of accidents act, making a total of 4,224.

This report gives 4,195 as the average annual number of deaths by industrial accidents for the five-year period, 1904 to 1908.

The industries within which the accidents presented above occurred give employment to more than six millions of work people, and, while the exact number of employees in the different groups are not available, the board of trade has, as far as possible, reduced the results to a ratio showing the mean annual death rate from accidents per

10,000 persons employed in each industrial group. The table follows:

MEAN ANNUAL DEATH RATE FROM INDUSTRIAL ACCIDENTS PER 10,000 PERSONS EMPLOYED IN THE UNITED KINGDOM, 1904 TO 1908.

[Source: Board of Trade Labour Gazette, April, 1909.]

Industry.	Rate.
Seamen.....	50.4
Miners.....	13.2
Quarrymen.....	10.6
Railway servants.....	7.5
Nontextile factory and workshop operatives.....	2.2
Textile factory operatives.....	9.8
General average.....	6.3

Annual reports on various branches of industry present data covering their various fields, from which the tables presented below are taken.

The following tables show the number of employees of railway companies killed and injured by train accidents for each of the twenty years, 1888 to 1907, inclusive, and the number and class of employees killed and injured by train accidents in 1907:

NUMBER AND AVERAGE PER MILLION TRAIN MILES OF RAILROAD EMPLOYEES KILLED AND INJURED BY TRAIN ACCIDENTS FOR EACH YEAR, 1888 TO 1907.

[Source: General Report to the Board of Trade upon Accidents on Railways, 1907.]

Year.	Train mileage (mil-lions).	Employees killed.		Employees injured.		Year.	Train mileage (mil-lions).	Employees killed.		Employees injured.	
		Total.	Per million train miles.	Total.	Per million train miles.			Total.	Per million train miles.	Total.	Per million train miles.
1888....	291.2	7	0.024	93	0.319	1898....	390.3	16	0.042	110	0.280
1889....	303.1	4	.013	117	.386	1899....	396.2	19	.048	196	.495
1890....	313.5	12	.038	147	.469	1900....	402.1	24	.060	180	.448
1891....	323.6	12	.037	154	.476	1901....	398.9	8	.020	156	.391
1892....	327.8	9	.027	92	.281	1902....	399.8	4	.010	110	.275
1893....	322.8	10	.031	73	.226	1903....	394.0	9	.023	146	.371
1894....	333.0	6	.018	62	.186	1904....	397.0	7	.018	114	.287
1895....	338.9	12	.035	88	.260	1905....	400.9	6	.015	112	.279
1896....	353.4	3	.008	153	.433	1906....	414.2	13	.031	140	.338
1897....	367.9	9	.024	140	.381	1907....	428.3	13	.030	236	.551

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NUMBER AND PROPORTION OF RAILROAD EMPLOYEES KILLED AND INJURED BY  
TRAIN ACCIDENTS IN 1907.

[Source: General Report to the Board of Trade upon Accidents on Railways, 1907.]

Class.	Number em- ployed.	Number killed.	Number injured.	Number employed per each person—	
				Killed.	Injured.
Engine drivers.....	28,141	5	75	5,628	375
Firemen.....	25,714	2	54	12,857	476
Passenger guards.....	8,474	2	21	4,237	404
Goods guards and brakemen.....	16,876	2	68	8,438	248
Total.....	79,205	11	218	7,220	363

Besides the employees accounted for in the last table above, 2 were killed and 18 injured in train accidents who were not employed in the running of trains.

Employees killed and injured in accidents connected with the movement of trains, but in which there was no accident to the train itself, are reported separately from those affected by train accidents. Totals have been reported since 1877, but only for a few of these years is it possible to present the proportion of accidents to the number of employees.

The next table shows the number of killed and injured of those classes of employees who are exposed to danger from the movement of trains, in cases in which the injury or death resulted from other causes than train accidents, for those years in which correct figures are available to show the proportion of killed and injured to the total number employed.

NUMBER AND PROPORTION OF RAILROAD EMPLOYEES EXPOSED TO DANGER FROM  
THE MOVEMENT OF TRAINS, ETC., WHO WERE KILLED AND INJURED IN CERTAIN  
YEARS IN ACCIDENTS CONNECTED WITH THE MOVEMENT OF TRAINS (TRAIN ACCI-  
DENTS EXCEPTED).

[Source: General Report to the Board of Trade upon Accidents on Railways, 1907.]

Year.	Number of em- ployees.	Number killed.	Number injured.	Number of employ- ees per each per- son—	
				Killed.	Injured.
1899.....	220,570	413	2,622	534	84
1900.....	270,739	422	2,548	642	106
1901.....	307,983	474	4,007	650	77
1902.....	325,671	483	4,058	674	80
1903.....	325,868	395	3,781	825	86
1904.....	342,094	433	5,560	790	62
Total for 6 years shown.....	1,792,925	2,620	22,576	684	79

Eight classes of employees contributed 330 of the 433 who were killed by the movement of trains in 1907, and 4,665 of the 5,560 injured. These casualties do not include those caused by train accidents. As to accidents affecting these 8 classes of employees, it is possible to report the period of incapacity of the injured employees and the proportion of those killed and injured to the total number of employees in the class. This presentation follows:

**NUMBER KILLED AND INJURED AND PERIOD OF DISABILITY IN CERTAIN OCCUPATIONS ON RAILWAYS IN THE UNITED KINGDOM AFFECTED BY THE MOVEMENT OF TRAINS IN 1907 (TRAIN ACCIDENTS EXCEPTED).**

[Source: General Report to the Board of Trade upon Accidents on Railways, 1907.]

Occupation.	Number employed.	Number killed.	Number injured and absent from duty—		Number of employees per each person—			
			14 days and under.	More than 14 days.	Killed.	Injured and absent from duty—		
						14 days and under.	More than 14 days.	All cases.
Goods guards and brakemen.....	16,786	41	516	519	400	33	32	16
Permanent-way men.....	67,184	89	52	123	755	1,292	546	384
Engine drivers.....	28,141	25	309	281	1,126	91	100	48
Firemen.....	25,714	21	411	366	1,224	63	70	33
Switchmen.....	13,158	39	525	472	337	25	28	13
Porters.....	56,402	55	375	321	1,025	150	176	81
Passenger guards.....	8,474	8	113	69	1,059	75	123	47
Laborers.....	59,812	52	90	123	1,150	653	496	281
Total .....	275,671	330	2,391	2,274	835	115	121	59

\* Based on the items shown, this number should be 665; the figures are given as found in the original report.

The showing of former tables as to the proportion of nonfatal accidents of a duration of two weeks or less is borne out by the above table, this class constituting more than one-half the total. A striking departure from this rule is shown by a single class of employees, permanent-way men having but 1 injury of this nature to every 1,292 employees, while there was 1 injury of longer duration to every 546 employees. A further exception to the rule applying to other classes of employees is presented by this group in that the number of fatal accidents is proportionately larger than the number of accidents causing disability of a duration of fourteen days or less. Switchmen have the highest accident rate, both fatal and nonfatal, goods guards (freight conductors) and brakemen ranking next. Firemen have the lowest rate of fatal accidents, laborers and engine drivers standing next in order, though the men employed on engines have a much higher rate of nonfatal accidents than do the laborers.

It is possible to present in less detail than in the foregoing table a record of the number of fatal and nonfatal accidents in proportion to the number of employees by classes for certain years. These

classes are the same as those presented above, and since the classes of accidents are the same the data for 1907 are comparable with those given in the table below.

The table follows:

NUMBER OF EMPLOYEES IN CERTAIN OCCUPATIONS TO EACH EMPLOYEE KILLED OR INJURED BY THE MOVEMENT OF TRAINS (TRAIN ACCIDENTS EXCEPTED) IN THE UNITED KINGDOM IN CERTAIN YEARS, 1889 TO 1904.

[Source: General Report of the Board of Trade upon Accidents on Railways, 1906.]

Class.	1889.		1895.		1898.		1901.		1904.	
	Number of employees per each person—		Number of employees per each person—		Number of employees per each person—		Number of employees per each person—		Number of employees per each person—	
	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.
Goods guards and brakemen.....	201	25	360	26	350	21	403	20	540	21
Permanent-way men.....	506	527	502	474	519	311	551	463	642	415
Engine drivers.....	843	66	1,071	88	1,170	60	1,069	85	1,002	79
Firemen.....	569	48	771	56	1,212	41	1,095	52	1,056	49
Switchmen.....	191	17	284	21	197	15	264	17	439	20
Porters.....	636	88	993	115	1,017	96	1,228	97	1,127	107
Passenger guards.....	839	51	3,178	99	1,706	64	1,042	69	1,520	65
Laborers.....	850	243	1,240	629	1,763	306	1,615	351	1,667	396

The above table shows the ratio of fatal to nonfatal accidents to be a very variable one for the different classes of employees and that it fluctuates considerably from year to year. Thus passenger guards in 1898 experienced twenty-six times as many nonfatal as fatal accidents, while permanent-way men in 1889 had but 1.1 persons injured to each 1 killed. This large proportion of killed as compared with the number injured is conspicuous in this class of employees throughout each year shown. The general tendency is toward a reduction of the accident rate, though this tendency is not uniform, passenger guards, for instance, showing a threefold greater fatal accident rate in 1904 than in 1895.

Statistics of accidents to employees in mines are available for every year since 1851, but the statutory basis for reporting has been changed since that date, the last time being by the coal mines regulation act of 1872, the change taking effect in 1873, since which date reports have been comparable. The table following shows for each year from 1873 to 1908 the death rate from accident per 1,000 employees and per 1,000,000 tons of output for mines under the coal mines regulation acts, and the same data, with the exception of the rate per 1,000,000 tons of output, for mines under the metalliferous mines regulation acts:

ANNUAL DEATH RATE FROM ACCIDENTS IN AND ABOUT MINES CLASSED UNDER THE COAL MINES REGULATION ACTS, PER 1,000 PERSONS EMPLOYED AND PER 1,000,000 TONS OF OUTPUT, AND IN AND ABOUT MINES CLASSED UNDER THE METALLIFEROUS MINES REGULATION ACTS, PER 1,000 PERSONS EMPLOYED, FOR EACH YEAR, 1873 TO 1908.

[Source: Mines and Quarries: General Report and Statistics for 1908, Part I.]

Year.	Coal mines.				Metalliferous mines.		
	Death rate from accidents per 1,000 persons employed—			Death rate from accidents per 1,000,000 tons output.	Death rate from accidents per 1,000 persons employed—		
	Below ground.	Above ground.	Above and below ground.		Below ground.	Above ground.	Above and below ground.
1873.....	2.41	0.81	2.08	7.48	2.19	0.87	1.66
1874.....	2.21	.99	1.96	7.50	2.61	.63	1.83
1875.....	2.68	.92	2.32	8.42	2.86	.82	2.06
1876.....	2.01	1.05	1.81	6.26	1.88	.26	1.22
1877.....	2.81	.99	2.44	8.12	2.52	.47	1.69
1878.....	3.46	.93	2.97	9.69	2.25	.38	1.50
1879.....	2.34	.77	2.04	6.69	1.98	.43	1.36
1880.....	3.14	.94	2.72	8.16	2.22	.62	1.59
1881.....	2.17	.81	1.93	5.65	2.70	.42	1.80
1882.....	2.57	.96	2.23	6.57	2.19	.83	1.66
Average 1873 to 1882.....	2.57	.92	2.24	7.42	2.35	.58	1.62
1883.....	2.27	1.10	2.05	5.90	2.59	.35	1.71
1884.....	2.01	.96	1.81	5.39	1.88	.34	1.27
1885.....	2.53	.98	2.21	6.63	2.33	.37	1.56
1886.....	2.04	.82	1.83	5.61	2.22	.61	1.58
1887.....	2.14	.81	1.89	5.75	2.19	.06	1.34
1888.....	1.83	.92	1.65	4.86	2.49	.40	1.66
1889.....	2.09	1.21	1.91	5.61	2.15	.06	1.47
1890.....	2.09	1.09	1.89	5.96	1.53	.47	1.09
1891.....	1.65	.93	1.80	4.95	1.99	.31	1.29
1892.....	1.65	.83	1.49	5.11	1.95	.51	1.36
Average 1883 to 1892.....	2.01	.96	1.81	5.65	2.15	.39	1.49
1893.....	1.71	.90	1.55	6.04	2.92	.20	1.78
1894.....	1.78	.83	1.60	5.65	2.00	.43	1.36
1895.....	1.64	.88	1.49	5.17	2.39	.51	1.62
1896.....	1.62	.91	1.48	4.92	1.71	.51	1.21
1897.....	1.49	.71	1.34	4.32	2.11	.52	1.46
1898.....	1.37	.92	1.28	4.22	1.34	.43	.96
1899.....	1.37	.79	1.26	3.93	2.43	.41	1.59
1900.....	1.44	.73	1.30	4.25	1.60	.42	1.10
1901.....	1.46	.95	1.36	4.76	1.49	.15	.92
1902.....	1.37	.72	1.24	4.27	1.44	.23	.94
Average 1893 to 1902.....	1.52	.83	1.39	4.70	1.96	.38	1.31
1903.....	1.35	.94	1.27	4.41	1.20	.33	.84
1904.....	1.34	.85	1.24	4.29	1.62	.57	1.19
1905.....	1.49	.75	1.35	4.64	2.49	.25	1.58
1906.....	1.42	.78	1.29	4.31	1.63	.56	1.19
1907.....	1.46	.78	1.32	4.41	1.45	.54	1.08
1908.....	1.46	.76	1.32	4.75	1.84	.40	1.24

The coal mines regulation act, as enacted in 1872, and as subsequently amended and reenacted, includes within its provisions mines of coal, mines of stratified ironstone (iron ore), mines of shale, and mines of fire clay, and embraces a body of employees averaging over a half million annually. Thus for the three 10-year averages shown in the above table, the average number of employees was 503,428, 571,719, and 732,391, respectively, of whom 403,281 in the first decade, 461,024 in the second, and 588,446 in the third were employed below ground.

During the last six years the average number of employees was 893,128, of whom 718,889 were employed below ground.

The metalliferous mines act applies to all classes of mines not within the scope of the coal mines regulation acts. The average number of employees in such mines was 55,388 in the first decade, 42,481 in the second, and 33,669 in the third, while for the six remaining years the average was further reduced to 30,040.

It may be noted in passing that with a single exception the average death rate for each decade is lower than for the preceding one.

Statistics for employees in quarries, similar to those given above for metalliferous mines, are available for the period 1895 to 1908, and are given below:

**ANNUAL DEATH RATE FROM ACCIDENTS IN AND ABOUT QUARRIES, CLASSED UNDER THE QUARRIES ACT, PER 1,000 PERSONS EMPLOYED FOR EACH YEAR, 1895 TO 1908.**

[Source: Mines and Quarries: General Report and Statistics for 1908, Part I.]

Year.	Death rate from accident per 1,000 persons employed.		
	Inside quarries.	Outside quarries.	Inside and outside quarries.
1895 (a).....	1.52	0.39	0.97
1896.....	1.60	.60	1.10
1897.....	1.58	.46	1.00
1898.....	1.59	.47	1.00
1899.....	1.53	.56	1.19
1900.....	1.90	.36	1.35
1901.....	1.43	.35	1.04
1902.....	1.65	.46	1.23
1903.....	1.34	.31	.97
1904.....	1.54	.45	1.15
Average, 1895 to 1904.....	1.57	.45	1.00
1905.....	1.42	.40	1.04
1906.....	1.46	.36	1.06
1907.....	1.34	.44	1.01
1908.....	1.39	.52	1.08

\* It is not certain that all deaths were reported for this year.

A more general view than is afforded by any of the tables given above is presented by a statement prepared by the labor department of the board of trade and published in 1904 by the departmental committee on workmen's compensation. The table shows the mean annual death rate from accident per 10,000 persons employed in principal trades for the period 1898 to 1902. The table follows:



**MEAN ANNUAL DEATH RATE FROM INDUSTRIAL ACCIDENTS PER 10,000 EMPLOYEES  
IN PRINCIPAL TRADES, 1898 to 1902.**

[Source: Report of Departmental Committee on Workmen's Compensation, 1904.]

Trade.	Deaths from accidents per 10,000 employees.
Seamen.....	64.5
Coal miners.....	12.9
Quarrymen.....	• 12.0
Metal miners.....	11.0
Railway servants.....	9.6
Chemical, etc. (including explosives), and gas workers.....	3.9
Metal workers, shipbuilders, machine makers, etc.....	3.2
Sawmill workers and carpenters.....	2.7
Glass, clay, stone, etc., workers.....	2.4
Food, drink, etc., factories.....	2.1
Textile operatives.....	.6
Other factory operatives.....	1.0
Average of above trades.....	7.0

• Mean rate for 1899 to 1902.

The registrar-general of births, deaths, and marriages in England and Wales has furnished data showing the comparative mortality of males from 25 to 64 years of age in different occupations. These reports are based on returns for the three years 1900, 1901, and 1902, and show that of the general male population within the age limits designated there were 1,000 deaths annually among 71,005 males, of which 59 were caused by accident. If the rate, 71,005 males, be divided proportionately to the numbers enumerated at the census of 1901, it is found that 26,259 were from 25 to 34 years of age, 20,407 were 35 to 44, 14,748 were 45 to 54, and 9,591 were 55 to 64.

The number 71,005 is adopted as the "standard population," which, subject to the rates of mortality obtaining in the several age groups among males generally, produced 1,000 deaths annually. If the four constituent numbers above shown be multiplied by the death rates recorded at the corresponding age groups in each occupation, the sum of the products will give the number of deaths that would occur in the standard population, supposing it to have experienced the death rates which prevailed in that occupation. This figure is called the "comparative mortality figure" for the occupation. Using this method, it is found that among 71,005 occupied (employed) and retired males the comparative mortality figure was 1,004 deaths per year, of which 58 were caused by accident, while among the unoccupied (unemployed) male population there were deaths at the rate of 2,884 per 71,005 males, or more than double the rate for all males, 115 of these being caused by accident.

The following table reproduces the comparative mortality for the various occupations covered and also the percentage that deaths from accident are of all deaths. The order of arrangement is that followed by the British census in the report on occupations:

# CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1647

## COMPARATIVE MORTALITY OF OCCUPIED AND RETIRED MALES IN ENGLAND AND WALES, 25 TO 65 YEARS OF AGE, IN VARIOUS OCCUPATIONS, FROM ALL CAUSES AND FROM ACCIDENT, 1900 TO 1902.

[Source: Supplement to the Sixty-fifth Annual Report of the Registrar-General of Births, Deaths, and Marriages, in England and Wales, 1908.]

Occupation.	Number of deaths per unit of 71,005 males from—		Per cent of deaths from accident of deaths from all causes.
	All causes.	Accident.	
All males.....	1,000	59	5.9
Occupied and retired males.....	1,004	58	5.8
Unoccupied males.....	2,884	115	4.0
Clergyman, priest, minister.....	524	9	1.7
Barrister, solicitor.....	750	30	4.0
Law clerk.....	970	23	2.4
Physician, surgeon, general practitioner.....	952	59	6.2
Schoolmaster, teacher.....	605	21	3.2
Artist, engraver, sculptor, architect.....	823	14	1.7
Musician, music master.....	1,261	35	2.8
Domestic indoor servant.....	927	32	3.5
Commercial traveler.....	988	29	2.9
Commercial clerk, insurance service.....	911	21	2.3
Railway engine driver, stoker.....	610	68	11.1
Railway guard, porter, switchman, etc.....	813	114	14.0
Railway official, clerk.....	776	30	3.9
Coach, cab, and omnibus service, groom, etc.....	1,157	68	5.9
Tramway service.....	1,013	37	3.7
Carman, carrier, etc.....	1,153	121	10.5
Bergsman, lighterman, waterman.....	1,333	234	17.5
Seaman, etc., merchant service.....	1,646	257	15.6
Dock and wharf laborers.....	1,481	106	7.2
Messenger, porter, etc. (other than railway or government).....	1,449	61	4.2
Farmer, grazier, farmer's son.....	596	36	6.0
Farm laborer, farm servant.....	621	53	8.5
Gardener, nurseryman, seedsman.....	563	22	3.9
Fisherman.....	967	130	13.4
Maltster.....	773	41	5.3
Brewer.....	1,393	55	3.9
Innkeeper, publican, spirit, wine, and beer dealer.....	1,781	50	2.8
Servant, inn or hotel.....	1,883	59	3.1
Stationery manufacture, stationer, publisher, news agent.....	931	22	2.4
Chemist, druggist.....	999	35	3.5
Tobacconist, etc.....	962	21	2.2
Milk seller, cheesemonger, etc.....	832	31	3.7
Fishmonger, poulterer.....	1,013	23	2.3
Fruiterer, green grocer.....	942	32	3.4
Grocer, etc.....	729	19	2.6
Draper, linen draper, mercer.....	845	19	2.2
Coal merchant, coke burner, etc.....	731	39	5.3
Ironmonger.....	741	20	2.7
General shopkeeper (merchant).....	1,508	64	4.2
Bookbinder.....	934	13	1.4
Printer.....	994	21	2.1
Lithographer, copper and steel plate printer.....	964	27	2.8
Watch, clock, scientific instrument, etc., maker, jeweler, etc.....	872	33	3.8
Saddler, harness maker.....	945	25	2.6
Butcher.....	1,148	40	3.5
Miller, cereal-food manufacturer.....	890	49	5.5
Baker, confectioner.....	922	28	3.0
Hatter.....	1,137	34	3.0
Tailor.....	1,027	26	2.5
Shoemaker.....	984	22	2.2
Hairdresser.....	1,196	34	2.8
Tallow, soap, glue, manure, etc., manufacture.....	764	34	4.5
Tanner.....	774	25	3.2
Furrier, skinner.....	1,332	23	1.7
Currier, etc.....	1,015	33	3.3
Engine, machine, and boiler makers and fitters, millwright.....	913	43	4.7
Tool, scissors, file, saw, and needle makers.....	1,315	29	2.2
Gunsmith.....	1,181	17	1.4
Lock, key, and gas-fittings makers, gas fitter.....	957	43	4.5
Blacksmith, striker.....	937	37	3.9
Nail, anchor, chain, and other iron and steel manufactures.....	1,187	58	4.9
Copper, tin, zinc, lead, brass, etc., manufacturers and workers.....	1,043	33	3.2
Bricklayer, mason, builder.....	906	52	5.7
Carpenter, joiner.....	820	40	4.9
Slater, tiler.....	1,115	102	9.1
Paper hanger, plasterer, whitewasher.....	1,018	53	5.2
Plumber, painter, glazier.....	1,114	50	4.5

COMPARATIVE MORTALITY OF OCCUPIED AND RETIRED MALES IN ENGLAND AND WALES, 25 TO 65 YEARS OF AGE, IN VARIOUS OCCUPATIONS FROM ALL CAUSES AND FROM ACCIDENT, 1900 TO 1902—Concluded.

Occupation.	Number of deaths per unit of 71,005 males from—		Per cent of deaths from accident of deaths from all causes.
	All causes.	Accident.	
Cabinetmaker, etc.....	956	24	2.5
Sawyer.....	774	55	7.1
Wood turner, cooper, etc.....	1,181	31	2.6
Coach, carriage, railway-coach, etc., maker.....	824	29	3.5
Cycle and motor manufacture.....	797	14	1.8
Wheelwright.....	808	39	4.8
Shipbuilding.....	817	73	8.9
Chemical manufacture.....	1,085	59	5.5
Wool and worsted manufacture.....	984	24	2.4
Silk, satin, crepe, etc., manufacture.....	964	17	1.8
Cotton manufacture.....	1,114	34	3.1
Lace manufacture.....	950	31	3.3
Rope, twine, and cord makers.....	910	44	4.8
Textile dyer, bleacher, printer, finisher, etc.....	1,114	31	2.8
Carpet, rug, and felt manufacture.....	1,044	36	3.4
Hosiery manufacture.....	921	21	2.3
Paper manufacture.....	730	28	3.8
Potter, earthenware manufacture.....	1,493	33	2.2
Glass manufacture.....	1,260	31	2.5
Coal miner.....	885	123	13.9
Iron-ore miner.....	744	118	15.9
Tin miner.....	2,131	54	2.5
Lead miner.....	1,206	75	6.2
Stone and slate quarriers.....	939	100	10.6
Coal heaver.....	1,221	97	7.9
Gas works service.....	878	45	5.1
Plate layer, railway laborer, navy, road laborer.....	740	92	12.4
Brick, plain tile, and terra-cotta makers.....	653	42	6.4
Costermonger, hawker, etc.....	2,007	84	4.2
General laborer.....	2,235	119	5.3
Engine driver, stoker, fireman (other than railway marine or agricultural).....	767	81	10.6
Chimney sweep.....	1,343	48	3.6
Civil service (officers and clerks).....	723	19	2.6
Civil service (messengers, etc.).....	791	26	3.3
India-rubber and gutta-percha workers, waterproof-goods makers.....	1,032	25	2.4
Brush and broom makers, hair and bristle workers.....	1,216	35	2.9

In studying this table it must be borne in mind that the average number of deaths per 71,005 males of all classes, 25 to 65 years of age, is 1,000 per year, and of deaths from accident 59 per year. The table shows that of the occupations considered, some that are highly dangerous from an accident standpoint are capable of being classed as generally favorable to longevity; as, for instance, that of fisherman, and iron and coal miners. Others having a low accident rate show a high general death rate, on account, presumably, of generally unwholesome working conditions, conducive to the development of trade diseases. An instance of this sort is found in the occupation of tool, scissors, etc., makers, gunsmiths, and furriers and skimmers. Some of the most dangerous industries, from the accident basis, failed of inclusion in the provisions of the compensation acts of 1897 and 1900. It need hardly be added that practically the entire list of occupations is covered by the present act.

STATISTICS OF SICKNESS.

It has been pointed out that in Great Britain the question of occupational or industrial diseases is not considered apart from that of accidents, so far as the matter of compensation under the acts is concerned; and since insurance is written to cover the liabilities of the employer under these laws, it is necessary to take up the data as to sickness in connection with accidents. The experience of the great workmen’s associations is available in this connection, as well as the returns of government officials under the various laws; but as these associations provide benefits for incapacity for self-support, whether caused by accident or by disease, the obvious result is that the data for the two classes of risks are shown together by them, and so appear in subsequent tables.

Occupational diseases are within the provisions of the factory and workshop acts, and the table below presents data for the five years 1903 to 1907. Besides the cases reported under the above-named acts are cases of lead poisoning among house painters and plumbers, amounting to 174 cases in 1907, of which 39 were fatal. The numbers for the other years covered by the table below are, for 1906, 181 cases, including 36 deaths; for 1905, 163 cases with 28 deaths; for 1904, 227 cases, including 39 deaths; and for 1903, 201 cases, 39 of which were fatal. Such cases, equally with those reported below, are within the provisions of the compensation act of 1906.

The following table shows cases of poisoning and anthrax reported in factories and workshops in the United Kingdom for a period of five years. Under the heading “cases,” the fatal as well as the nonfatal cases are included.

CASES OF POISONING AND ANTHRAX RESULTING FROM EMPLOYMENT IN FACTORIES AND WORKSHOPS IN THE UNITED KINGDOM, 1903 TO 1907.

[Source: Twelfth Abstract of Labor Statistics of the United Kingdom, 1906-7.]

Disease and industry.	Cases, including deaths.					Deaths.				
	1903.	1904.	1905.	1906.	1907.	1903.	1904.	1905.	1906.	1907.
Lead poisoning:										
Smelting of metals.....	37	33	24	38	28	2	1	1	1	2
Brass working.....	15	10	5	11	9	.....	1	1	.....	1
Lead working, sheet and pipe.....	11	7	9	7	6	.....	.....	.....	.....	.....
Plumbing and soldering.....	26	21	24	16	20	.....	3	2	4	2
Printing.....	13	15	19	16	26	2	.....	4	2	3
File cutting.....	24	20	12	15	10	2	4	.....	.....	.....
Tinning, and enameling iron ware...	14	10	14	18	25	.....	.....	1	1	.....
Enameling iron plates.....	4	3	2	4	6	.....	.....	.....	.....	.....
White-lead manufacture.....	109	116	90	108	71	2	2	1	7	.....
Red and yellow lead manufacture...	6	11	10	6	7	.....	.....	.....	.....	.....
China and earthen ware manufacture	97	106	84	107	103	3	4	3	4	9
Litho-transferring.....	3	3	5	5	10	.....	.....	.....	.....	.....
Glass cutting and polishing.....	4	.....	3	4	4	.....	.....	.....	1	.....
Electrical accumulator making.....	28	33	27	26	21	.....	.....	1	.....	.....
Paint and color making.....	39	32	57	37	35	1	1	1	.....	1
Coach making.....	74	49	56	85	70	5	4	3	7	3
Shipbuilding.....	24	48	32	26	22	1	.....	2	1	1
Painting in other industries.....	46	27	49	37	49	1	3	2	3	2
Unclassified industries.....	40	53	70	66	56	.....	3	1	2	2
Total.....	614	597	592	632	578	19	26	23	33	26

## CASES OF POISONING AND ANTHRAX RESULTING FROM EMPLOYMENT IN FACTORIES AND WORKSHOPS IN THE UNITED KINGDOM, 1903 TO 1907—Concluded.

Disease and industry.	Cases, including deaths.					Deaths.				
	1903.	1904.	1905.	1906.	1907.	1903.	1904.	1905.	1906.	1907.
<b>Mercurial poisoning:</b>										
Barometer and thermometer making.	3	1	1	1	.....	.....	.....	.....	.....	.....
Fur working.....	1	.....	3	.....	5	.....	.....	.....	.....	.....
Unclassified industries.....	4	2	4	3	2	.....	.....	.....	.....	.....
Total.....	8	3	8	4	7	.....	.....	.....	.....	.....
<b>Phosphorus poisoning:</b>										
Lucifer match making.....	.....	1	3	.....	1	.....	1	1	.....	1
Unclassified industries.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total.....	.....	1	3	.....	1	.....	1	1	.....	1
<b>Arsenic poisoning:</b>										
Paint and color making and extrac- tion of arsenic.....	3	3	.....	2	4	.....	.....	.....	.....	.....
Unclassified industries.....	2	2	1	3	5	.....	.....	.....	.....	2
Total.....	5	5	1	5	9	.....	.....	.....	.....	2
<b>Anthrax:</b>										
Wool sorting and combing.....	20	12	34	24	23	5	1	12	8	3
Handling horsehair.....	7	12	7	10	17	1	4	1	5	4
Handling and sorting hides, etc....	12	18	17	18	12	1	3	4	5	2
Unclassified industries.....	8	8	1	14	6	5	2	1	3	2
Total.....	47	50	59	66	58	12	10	18	21	11
Grand total.....	674	656	663	707	653	31	37	42	54	40

The above list of diseases was based on the recommendations of commissions appointed to consider the subject of industrial diseases. The fact remains that in a large number of other cases sickness and death are no less directly the result of employment, though the disease itself is of a more common type and less characteristic of the industry. An illustration of this fact appears in a study of the "Health of Cornish miners," published by the home department of Great Britain in 1904. The report relates practically exclusively to the employees in the tin mines of Cornwall during the three years 1900 to 1902 in the Redruth district, which is by far the most important district in Cornwall. The number of miners in this district in 1901 was 4,102.

The following table summarizes the data relating to deaths occurring in this district, by causes, during the three-year period 1900 to 1902, and the annual death rate of employed males in England and Wales for the same period:

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ANNUAL DEATH RATE PER 1,000 MINERS AND MINE LABORERS IN REDRUTH DISTRICT, CORNWALL, AND PER 1,000 EMPLOYED MALES IN ENGLAND AND WALES, 1900 TO 1902.

[Sources: Health of Cornish Miners, Home Department, 1904, and Supplement to the Sixty-fifth Annual Report of the Registrar-General of Births, Deaths, and Marriages in England and Wales, 1908.]

Cause of death.	Death rate per 1,000 in each age group.						
	15 to 19.	20 to 24.	25 to 34.	35 to 44.	45 to 54.	55 to 64.	65 to 74.
Redruth district:							
Lung diseases.....	0.4	2.3	18.6	33.8	35.5	44.4	65.6
Other causes.....	.8	4.4	2.1	4.8	11.5	20.4	41.9
Total death rate.....	1.2	6.7	20.7	38.6	47.0	64.8	107.5
England and Wales:							
Lung diseases.....	.8	2.0	2.8	4.4	6.3	8.7	* 18.9
Other causes.....	1.6	2.4	3.2	5.8	11.4	22.3	* 69.5
Total death rate.....	2.4	4.4	6.0	10.2	17.7	31.0	* 88.4

\* Age 65 and over.

An examination of the above table shows the excessive death rate among the Cornish miners and the large preponderance of lung diseases as a cause. The following table shows the number of deaths of miners in the Redruth district, 1900 to 1902, those miners who had at any time worked machine drills and those who had not being separately classified:

DEATHS OF MINERS WHO HAD WORKED MACHINE DRILLS, AND OF OTHER UNDERGROUND MINERS, IN REDRUTH DISTRICT, CORNWALL, 1900 TO 1902.

[Source: Health of Cornish Miners, Home Department, 1904.]

Item.	Deaths in each age group.							Total deaths, 15 to 74.
	15 to 19.	20 to 24.	25 to 34.	35 to 44.	45 to 54.	55 to 64.	65 to 74.	
Deaths of miners who had worked machine drills caused by—								
Lung diseases.....		3	51	54	22	3		133
Other causes.....		2	4	1	2			9
Deaths of other miners caused by—								
Lung diseases.....	1	1	8	19	23	36	25	113
Other causes.....	2	6	2	7	12	16	13	58

The number of men engaged in operating machine drills being comparatively small, it is evident from these figures that the mortality due to lung diseases among “miners who had worked machine drills” is enormously greater than among the “other miners.”

Phthisis, or “miners’ disease,” was the certified cause of death of 120 of the machine-drill men, other diseases of the respiratory organs being responsible for the death of 13. The average age of the 142 machine-drill men at death was 37.2 years. Besides the 171 miners other than rock drillers whose deaths are tabulated above, 7 are reported as dying at more advanced ages. Of the total of 178 deaths, 68 were ascribed to phthisis and 48 to bronchitis and other diseases of the respiratory organs, the average age of all at death being 53 years.

Such data show conclusively the importance of district and occupational tables, as distinguished from general mortality tables for the



country, in the establishment of benefit and insurance funds or the organization of friendly societies or branches in different industrial areas. The method and extent of such separate studies will be disclosed to some extent in the account given below of the investigation of the sickness and mortality experience of the Independent Order of Odd Fellows, Manchester Unity, Friendly Society.

The measure of compensation varies under different systems, the workmen's compensation acts requiring payments proportioned to the wages earned, which introduces another factor into the problem of the determination of cost; while in the friendly societies the amount of the benefits is a fixed rate for death and a fixed weekly payment for incapacity. All cases of incapacity present the question of term as well as of rate, however, so that it is only by an extensive study of sickness and disability experience that any adequate foundation can be laid for determining cost.

Before taking up the more extensive data of friendly societies a brief presentation of the sickness experience of a group of trade unions may be noticed. The following table shows for eight of the larger trade unions the average monthly percentage of members in receipt of the sick benefits during each year of the period from 1870 to 1894. This proportion is fairly uniform, with, however, a tendency to increase, resulting probably from the increasing age of the members:

AVERAGE PER CENT OF MEMBERS PER MONTH RECEIVING SICK BENEFITS EACH YEAR IN EIGHT SELECTED UNIONS, 1870 TO 1894.

[The figures in this table are from the Annual Reports of the Labor Department on Trade Unions. Since 1894 the number of members receiving sick benefits is not separately shown in these reports.]

Year.	United Society of Brush Makers.	Amalga- mated Society of Carpen- ters and Joiners.	Amalga- mated Society of Engineers.	Steam Engine Makers' Society.	Friendly Society of Iron Founders.	United Society of Boiler Makers and Iron and Steel Ship Builders.	United Pattern Makers' Associa- tion.	Amalga- mated Society of Tailors.
1870.....		1.8	2.1	1.9	2.5			1.10
1871.....		2.2	1.9	1.6	2.4			1.10
1872.....		1.7	1.7	1.5	2.3			.70
1873.....		1.6	1.7	1.4	2.0	1.9		.75
1874.....		1.6	1.8	1.3	2.2	2.2		.97
1875.....		1.8	1.9	1.6	2.3	2.8		1.10
1876.....		1.7	2.0	1.6	2.5	2.8		1.10
1877.....		1.7	2.1	1.5	2.3	2.8		1.20
1878.....	2.0	1.8	2.2	1.6	2.4	3.4		1.30
1879.....	2.6	2.2	2.4	2.1	2.5	4.2		1.60
1880.....	2.2	2.2	2.2	2.0	2.6	3.2		1.60
1881.....	2.4	2.4	2.2	2.0	2.9	2.7	1.3	1.50
1882.....	2.5	2.1	2.2	1.9	2.7	2.1	1.6	1.30
1883.....	2.4	2.0	2.2	2.0	2.8	2.4	1.4	1.40
1884.....	2.9	2.0	2.3	2.2	2.7	3.0	1.6	1.50
1885.....	2.7	2.2	2.4	2.2	2.8	3.1	1.3	1.50
1886.....	2.5	2.5	2.5	2.2	2.9	3.3	1.5	1.70
1887.....	2.8	2.3	2.5	2.2	2.8	3.3	1.4	1.70
1888.....	2.1	2.4	2.5	2.3	2.8	3.1	1.0	1.61
1889.....	2.3	2.1	2.2	2.2	2.4	2.6	1.4	1.47
1890.....	2.6	2.1	2.2	2.6	2.6	2.7	1.7	1.61
1891.....	3.2	2.2	2.5	2.5	2.8	2.77	1.88	1.68
1892.....	3.04	2.18	2.44	2.41	2.52	2.78	1.55	(a)
1893.....	2.85	1.98	2.45	2.40	2.69	3.17	(a)	1.60
1894.....	3.00	2.02	2.38	2.07	2.41	3.00	(a)	1.28

a Not reported.



For a quarter century prior to 1824, when a report was issued based on the experience of Scotch friendly societies, provisions by friendly societies for sick benefits were based on a theoretical law of sickness, formulated by a Doctor Price. This law was found to provide far too low a rate for the advanced periods of life, while for the earlier periods the rate was too high, but not enough to offset the other error, even if such a balancing were feasible. The Scotch, or Highland Society's rates were found to be useless for general guidance on account of the peculiar organization of friendly societies in Scotland during the period covered.

The first adequate attempt to present the matter of sickness experience was that by an actuary (Mr. Neison) who was furnished a record covering 1,147,243 years of life, as reported in the government returns of friendly societies for the five years, 1836 to 1840. The Government itself issued a report in 1853-54, based on similar reports for the years 1846 to 1850, but covering a total of only 792,980 years of life, and using an arbitrary definition of sickness that made the tables, "for all the more important purposes of friendly societies; entirely worthless." The fault consisted in not classing disability to work as sickness, but only recoverable, temporary ailments, requiring constant medical treatment. The Manchester Unity of Odd Fellows was responsible for the next tables, covering 1,006,272 years of life, between 1856 and 1860, but defective in the matter of advanced ages.

The following table shows the conclusions reached by means of each of the above investigations, as regards the average number of weeks of sickness experienced during designated age periods, and the estimates under Doctor Price's law:

COMPARATIVE STATEMENT, ACCORDING TO VARIOUS DATA, OF WEEKS OF SICKNESS EXPERIENCED IN PASSING THROUGH DIFFERENT PERIODS OF LIFE.

[Source: Report of Royal Commission on Friendly Societies, 1872.]

Original source.	Years of life covered by records.	Period.	Weeks of sickness experienced in passing through each age period.							
			21 to 30.	31 to 40.	41 to 50.	51 to 60.	61 to 65.	66 to 70.	71 to 75.	76 to 80.
Doctor Price (theoretical).....			10.8	13.0	15.7	19.2	10.8	.....	.....	.....
Highland Society (Scotch friendly societies).....	104,218	1751-1820	5.9	6.7	9.7	17.8	14.4	33.6	.....	.....
Nelson (government returns of friendly societies).....	1,147,243	1836-1840	8.7	9.9	14.8	27.1	26.6	50.7	84.9	120.5
Government returns of friendly societies.....	792,980	1846-1850	9.8	10.3	13.4	20.0	15.7	23.4	38.3	55.7
Manchester Unity, Odd Fellows.....	1,006,272	1856-1860	8.0	9.5	14.0	26.1	24.2	37.2	59.8	83.1

The wide range of experiences here shown is suggestive of the difficulties attending the efforts of the societies of that period to provide stable funds for the protection of their members in case of sickness, but that satisfactory results have been at least approximated is

indicated by the fact that for five years ending with 1906, in the case of 558 societies, with 121,339 members, the expected cost of sickness, according to the tables in use, was £411,450 (\$2,002,321), as against an actual cost of £412,787 (\$2,008,828), experience exceeding expectation by but 0.32 per cent. The experience of 503 societies for the five years ending with 1905 showed an excess of 1.94 per cent over expectation, and the experience of 331 societies for the five years ending with 1904 showed an excess of 1.63 per cent, while that of 247 societies for the five years ending with 1903 was 0.26 per cent less than the expectation.

The tables most commonly in use are those based on the experience of registered friendly societies published by the chief registrar in 1880, and those issued by the Ancient Order of Foresters, the tables of the Independent Order of Odd Fellows, Manchester Unity, ranking next, but considerably below the first two.

The bases of the tables of the Manchester Unity and of the registered friendly societies, together with the principal results deduced, are shown in the following table, which shows the number of years of life under review at each age period and the actual and relative number of deaths and of weeks of sickness:

**COMPARISON OF SICKNESS AND MORTALITY, REGISTERED FRIENDLY SOCIETIES EXPERIENCE, 1876 TO 1880, AND MANCHESTER UNITY EXPERIENCE, 1893 TO 1897.**

[Source: An Account of an Investigation of the Sickness and Mortality Experience of the L. O. O. F., Manchester Unity, during the Five Years, 1893 to 1897.]

**REGISTERED FRIENDLY SOCIETIES EXPERIENCE, 1876 TO 1880.**

Age.	Years of life exposed to risk of sickness.	Weeks of sickness.	Rate of sickness per member per annum (weeks).	Years of life exposed to risk of death.	Deaths.	Rate of mortality per 100 members per annum.
16 to 19.....	12,814	11,225	0.88	12,814	94	0.73
20 to 24.....	150,877	128,942	.85	150,877	856	.57
25 to 29.....	275,819	240,750	.87	275,819	1,704	.62
30 to 34.....	281,125	287,461	1.02	281,125	2,184	.78
35 to 39.....	259,987	322,634	1.24	259,987	2,545	.98
40 to 44.....	212,530	312,064	1.47	212,530	2,455	1.16
45 to 49.....	158,860	300,116	1.89	158,860	2,347	1.48
50 to 54.....	111,242	266,276	2.39	111,242	2,115	1.90
55 to 59.....	77,792	261,716	3.36	77,792	2,163	2.78
60 to 64.....	52,458	271,371	5.17	52,458	2,051	3.91
65 to 69.....	33,591	293,261	8.73	33,591	1,919	5.71
70 to 74.....	16,840	243,508	14.46	16,840	1,359	8.07
75 to 79.....	7,005	141,962	20.27	7,005	851	12.15
80 to 84.....	1,774	48,542	27.36	1,774	284	16.01
85 to 89.....	305	9,412	30.86	305	69	22.62
90 to 94.....	51	1,494	29.29	51	11	21.57
95 to 100.....	15	586	39.07	15	4	26.67
Total.....	1,653,085	3,141,320	.....	1,653,085	23,011	.....

COMPARISON OF SICKNESS AND MORTALITY, REGISTERED FRIENDLY SOCIETIES  
EXPERIENCE, 1876 TO 1890, AND MANCHESTER UNITY EXPERIENCE, 1893 TO 1897—  
Concluded.

MANCHESTER UNITY EXPERIENCE, 1893 TO 1897.

Age.	Years of life ex- posed to risk of sickness.	Weeks of sickness.	Rate of sickness per mem- ber per annum (weeks).	Years of life ex- posed to risk of death.	Deaths.	Rate of mortality per 100 members per an- num.
16 to 19.....	101,912	93,553	0.92	149,768	368	0.25
20 to 24.....	434,117	389,259	.90	486,149	1,815	.37
25 to 29.....	468,235	447,089	.95	501,031	2,302	.46
30 to 34.....	433,525	461,392	1.06	452,903	2,481	.55
35 to 39.....	368,474	466,140	1.27	378,965	2,649	.70
40 to 44.....	310,484	490,721	1.58	316,363	3,010	.95
45 to 49.....	257,359	511,085	1.99	260,349	3,062	1.17
50 to 54.....	213,469	586,239	2.75	216,042	3,649	1.69
55 to 59.....	163,886	659,634	4.02	166,310	4,025	2.42
60 to 64.....	110,375	696,121	6.31	112,605	4,011	3.56
65 to 69.....	63,323	670,224	10.59	65,173	3,525	5.41
70 to 74.....	39,302	683,910	17.40	41,003	3,318	8.09
75 to 79.....	21,195	532,925	25.15	22,578	2,718	12.04
80 to 84.....	7,861	253,691	32.27	8,629	1,524	17.66
85 to 89.....	1,941	70,099	36.12	2,197	511	23.26
90 to 94.....	247	9,604	38.89	288	82	28.47
95 to 100.....	19	752	38.57	25	11	44.00
Total.....	2,995,724	7,022,438	.....	3,180,378	39,061	.....

The observations of the registered friendly societies, while extensive enough to entitle them to great weight, are practically doubled in extent by those of the Manchester Unity, 1893 to 1897. The striking facts adduced are the greater rate of sickness per member per annum in the later table, and, except at the more advanced ages, a diminished mortality rate. This condition affects the financial operations of bodies insuring against sickness unfavorably in respect of both tendencies. Not only is the sickness per member at each age period heavier than was formerly the case, but a greater proportion of members now survive to old age, and so become liable to the maximum sickness rates, with corresponding burdens on the insuring society. This conclusion is not based on the showing made by these two investigations alone, but is supported by a series of investigations undertaken by different agencies. Thus the Foresters reported 10,007,475 days of sickness among their membership in the United Kingdom in 1907, or an average of 15.69 days per member as against an average of 12.31 days in 1897, or an advance of 3.38 days in the decade. The advance is even more marked in 1908, when 10,385,052 days are reported, or a per capita average of 16.51 days, as against 15.69 days in the previous year, and 12.6 days in 1898, the gain in the decade being 3.91 days.

A brief comparison of the results of the various observations mentioned, arranged chronologically, is shown in the table below. This table shows in weeks and decimals of a week the amount of sickness per member for each year of life at the various periods indicated, and the annual number of deaths per hundred members, according to observations of the Manchester Unity, the Ancient Order of Foresters, and the registered friendly societies.

COMPARATIVE STATEMENT OF RATES OF SICKNESS AND MORTALITY BASED ON VARIOUS OBSERVATIONS, IN CHRONOLOGICAL ARRANGEMENT.

[Source: Manchester Unity Experience, 1893 to 1897.]

Age.	Rate of sickness per member per annum in weeks.						Rate of mortality per 100 members per annum.					
	Man- chester Unity, 1846- 1848.	Man- chester Unity, 1856- 1860.	Man- chester Unity, 1866- 1870.	An- cient Order of For- esters, 1871- 1875.	Friend- ly soci- eties, 1876- 1880.	Man- chester Unity, 1893- 1897.	Man- chester Unity, 1846- 1848.	Man- chester Unity, 1856- 1860.	Man- chester Unity, 1866- 1870.	An- cient Order of For- esters, 1871- 1875.	Friend- ly soci- eties, 1876- 1880.	Man- chester Unity, 1893- 1897.
16 to 19.....	0.39	0.76	0.54	1.04	0.88	0.92	0.54	0.75	0.46	0.94	0.73	0.25
20 to 24.....	.68	.83	.75	.82	.85	.90	.74	.76	.64	.74	.57	.37
25 to 29.....	.76	.82	.81	.85	.87	.95	.79	.75	.76	.73	.62	.46
30 to 34.....	.84	.86	.93	.97	1.02	1.06	.87	.83	.82	.89	.78	.55
35 to 39.....	.94	1.00	1.06	1.15	1.24	1.27	.92	.99	.98	1.09	.98	.70
40 to 44.....	1.18	1.24	1.26	1.37	1.47	1.58	1.16	1.18	1.26	1.28	1.16	.95
45 to 49.....	1.51	1.55	1.64	1.71	1.89	1.99	1.40	1.42	1.43	1.66	1.48	1.17
50 to 54.....	2.03	2.01	2.22	2.27	2.39	2.75	1.86	1.80	1.91	2.05	1.90	1.69
55 to 59.....	3.21	3.02	3.05	3.21	3.36	4.02	2.87	2.61	2.49	2.97	2.78	2.42
60 to 64.....	5.06	4.64	4.72	4.59	5.17	6.31	4.11	3.57	3.54	3.80	3.91	3.56
65 to 69.....	6.50	7.16	7.24	7.97	8.73	10.59	5.72	5.50	5.21	5.84	5.71	5.41
70 to 74.....	12.15	12.06	12.06	12.00	14.46	17.40	7.04	6.82	7.81	8.00	8.07	8.09
75 to 79.....	16.72	16.64	16.87	17.66	20.27	25.15	8.88	11.54	9.95	14.26	12.15	12.04
80 to 84.....	19.45	20.40	20.59	20.92	27.36	32.27	11.43	12.86	11.88	16.03	16.01	17.66
85 to 89.....	(a)	(a)	29.63	(a)	30.86	36.12	(a)	(a)	19.61	(a)	22.62	23.26
90 to 94.....			(a)		29.29	38.89			(a)		21.57	28.47
95 to 100.....					39.07	38.57					26.67	44.00

a Data from this age too scanty for useful comparison.

Sickness relief is usually afforded on a certain scale for a fixed period (generally six months), at a reduced rate for a subsequent period, commonly of the same length as the first, and at further reduced rates for subsequent sickness. This practice makes it necessary to discover the distribution of the amounts of sickness among the periods fixed for the different rates of relief. The next table below presents the result of the observations of the registered friendly societies, 1876 to 1880, showing for each year of life from 18 to 89, inclusive, the average number of weeks of sickness per member falling within the first six months' period, the average falling within the second six months' period, and the average falling within subsequent periods. The amounts are shown in weeks and decimals of a week, and the total both in decimal form and to the nearest actual day.

AVERAGE WEEKS OF SICKNESS FALLING WITHIN EACH PERIOD, FOR MEMBERS OF EACH AGE, ACCORDING TO REGISTERED FRIENDLY SOCIETIES' TABLES, 1876 TO 1889.

[Source: Actuary's Report, Irish National Foresters, 1908.]

Age.	Number of weeks of sickness experienced during—			Total weeks of sickness.			Age.	Number of weeks of sickness experienced during—			Total weeks of sickness.		
	First 6 mos. period.	Second 6 mos. period.	Periods after 1 year.	Decimal.	Integer.			First 6 mos. period.	Second 6 mos. period.	Periods after 1 year.	Decimal.	Integer.	
					Wks.	Days.						Wks.	Days.
18.....	0.772	0.032	0.057	0.861	.....	6	54.....	1.580	0.243	0.879	2.702	2	5
19.....	.782	.036	.062	.880	.....	6	55.....	1.670	.232	.986	2.888	2	6
20.....	.775	.045	.067	.887	.....	6	56.....	1.712	.277	1.114	3.104	3	1
21.....	.769	.044	.071	.884	.....	6	57.....	1.795	.296	1.262	3.353	3	2
22.....	.766	.033	.074	.873	.....	6	58.....	1.883	.327	1.426	3.636	3	4
23.....	.745	.040	.073	.858	.....	6	59.....	1.989	.362	1.605	3.956	4	.....
24.....	.730	.049	.073	.852	.....	6	60.....	2.116	.402	1.803	4.321	4	2
25.....	.736	.039	.074	.849	.....	6	61.....	2.214	.493	2.036	4.743	4	5
26.....	.732	.045	.097	.854	.....	6	62.....	2.345	.567	2.315	5.227	5	2
27.....	.736	.049	.084	.869	.....	6	63.....	2.576	.550	2.659	5.785	5	.....
28.....	.747	.058	.094	.894	.....	6	64.....	2.640	.704	3.077	6.421	6	5
29.....	.760	.056	.108	.924	.....	6	65.....	2.808	.752	3.585	7.145	7	13
30.....	.779	.066	.123	.967	1	.....	66.....	2.899	.876	4.186	7.960	8	.....
31.....	.793	.061	.138	.992	1	.....	67.....	3.045	.946	4.883	8.874	8	6
32.....	.823	.062	.151	1.026	1	.....	68.....	3.209	1.015	5.080	9.895	9	6
33.....	.842	.066	.165	1.063	1	.....	69.....	3.368	1.074	6.580	11.022	11	.....
34.....	.852	.071	.181	1.104	1	1	70.....	3.441	1.221	7.576	12.238	12	2
35.....	.876	.073	.197	1.146	1	1	71.....	3.667	1.199	8.638	13.504	13	4
36.....	.900	.075	.216	1.191	1	1	72.....	3.637	1.403	9.752	14.792	14	6
37.....	.924	.079	.237	1.240	1	2	73.....	3.750	1.430	10.882	16.062	16	.....
38.....	.943	.086	.256	1.285	1	2	74.....	3.787	1.476	12.003	17.266	17	2
39.....	.975	.080	.271	1.326	1	2	75.....	3.753	1.558	13.109	18.420	18	3
40.....	.997	.086	.285	1.368	1	3	76.....	3.841	1.519	14.244	19.604	19	4
41.....	1.019	.086	.301	1.416	1	3	77.....	3.838	1.580	15.481	20.899	20	6
42.....	1.062	.080	.320	1.472	1	3	78.....	3.656	1.769	16.833	22.258	22	2
43.....	1.086	.108	.345	1.539	1	4	79.....	3.700	1.631	18.210	23.541	23	4
44.....	1.123	.117	.378	1.618	1	4	80.....	3.387	1.730	19.955	25.072	25	1
45.....	1.173	.116	.418	1.707	1	5	81.....	3.046	1.814	21.880	26.740	26	5
46.....	1.218	.121	.460	1.799	1	6	82.....	3.037	1.553	24.010	28.600	28	4
47.....	1.245	.147	.502	1.894	1	6	83.....	2.684	1.636	26.300	30.620	30	4
48.....	1.296	.149	.542	1.967	2	.....	84.....	3.593	.457	28.700	32.750	32	5
49.....	1.351	.148	.582	2.081	2	1	85.....	2.999	.781	31.116	34.946	35	.....
50.....	1.396	.160	.622	2.178	2	1	86.....	2.286	1.224	33.635	37.145	37	1
51.....	1.426	.191	.666	2.283	2	2	87.....	2.322	.918	36.085	39.325	39	2
82.....	1.468	.214	.720	2.402	2	3	88.....	.....	.....	41.585	41.585	41	4
83.....	1.542	.208	.790	2.540	2	4	89.....	.....	.....	43.935	43.935	44	.....

The two tables last given disclose a tendency to which attention recurs in the discussion of the various forms of relief, i. e., the tendency for what is classed as ordinary sick benefits to merge into superannuation benefits. During early and middle life ailments terminating within the first six months' period constitute the bulk of the amount of sickness, while at the age of 59 they form but one-half of the total, the ratio falling rapidly during the following years. From the age of 74 to that of 81 the total of sickness advances from one-third of the year to above one-half, while at the age of 89 recipients of sick pay would be in receipt of relief during ten months of the year.

Cases falling within the second six months of sickness, which may be characterized as chronic but recoverable, constitute an element of increasing importance with the advance of years, the amount of sickness of this description growing much more rapidly proportionately than in the case of temporary ailments. Thus, at the age of 18, the

amount of sickness falling within the second six months' period amounts to but 3.7 per cent of the total and equals but 4.1 per cent of the amount falling within the first six months, while 20 years later these percentages are 6.7 and 9.1, respectively, and within 50 years, or at the age 68, they are, respectively, 10.3 and 31.7.

As already observed, there are three great affiliated orders in competition for the membership and patronage of the industrial classes of Great Britain, besides a number of other "societies with branches" which use either the tables of these orders, the tables of the registered friendly societies as a whole, or some less widely used table. The three great orders are the Manchester Unity of Odd Fellows, the Ancient Order of Foresters, and the Independent Order of Rechabites. Membership in this last society involves a pledge of total abstinence from intoxicants.

A foregoing table (pp. 1654, 1655) presented in detail the sickness experience of the Manchester Unity and the registered societies. Below is a brief comparative statement of the experience of the Manchester Unity, the Foresters, the Rechabites, and the friendly societies:

TOTAL WEEKS OF SICKNESS, AGES 18 TO 80, FALLING WITHIN EACH PERIOD, AS SHOWN BY FOUR PRINCIPAL STANDARDS.

[Source: Actuary's Report, Irish National Foresters, 1908.]

Standard.	Number of weeks of sickness experienced during—			Total weeks of sickness.
	First 26 weeks' period.	Second 26 weeks' period.	Periods after one year.	
Manchester Unity of Odd Fellows .....	111	34	124	269
Ancient Order of Foresters.....	111	33	132	276
Independent Order of Rechabites.....	102	35	125	262
Registry of Friendly Societies.....	110	27	181	318

This table shows the minimum amount of sickness to have been among the Rechabites, the maximum amount of sickness being shown by the friendly societies generally, whose requirements for admission are less uniform and their membership more miscellaneous than in the case of the more highly organized bodies.

Local industrial developments necessarily exert a large measure of influence on the constituency of local organizations of workmen, and the fact that sickness and death rates are affected by the various conditions of employment makes it important that the extent of this influence be determined. The investigation of the Manchester Unity experience, 1893 to 1897, as to the sick rate of members of different industrial groups makes a showing of this effect possible. A summary statement of the number of members sick per 100 in the course of the year and the average number of weeks of sickness claim per member



per year in various industrial groups and for the whole society is given below.

The classification of industries used is in brief as follows:

Class A includes farmers, farm laborers, gardeners, and the like.

Class B, employees at outdoor building trades, brickmakers, clay workers, dock laborers, bargemen, and unskilled outdoor laborers.

Class C, persons employed in the transportation service of railways.

Class D, seamen and fishermen.

Class E, quarry workers, rockmen, etc.

Class F, iron and steel workers, and employees in lead, tin-plate, and glass works, and other employments involving toilsome labor and exposure to extremes of heat.

Class G, mine employees, chiefly underground.

Class H, rural.

Class J, urban employees not included in the above.

The above classes are combined in the following tables into four groups on the basis of their approximate agreement in respect of the facts under discussion. Thus, the first column is made up of persons in agricultural occupations and general laborers, both rural and urban, the experience of these classes having proved to be not sufficiently distinctive to warrant separate treatment, from the point of view now under consideration, and so of the other groups of classes, which are arranged from left to right in the order of the degree of the hazard of the employment represented. The tables follow:

NUMBER OF MEMBERS SICK IN A YEAR PER 100 MEMBERS EXPOSED TO RISK, BY INDUSTRIAL GROUPS.

[Source: Manchester Unity Experience, 1893-1897.]

Age.	Groups A, H, J.	Groups B, C, D.	Groups E, F.	Group G.	Whole society.
16 to 19.....	26.02	31.42	38.14	41.42	28.66
20 to 24.....	22.45	26.53	32.86	38.15	24.45
25 to 29.....	21.37	26.12	31.88	38.61	23.49
30 to 34.....	21.51	26.35	32.34	39.09	23.62
35 to 39.....	21.81	27.51	33.36	39.78	24.08
40 to 44.....	23.27	28.38	34.64	41.67	25.48
45 to 49.....	24.80	30.87	36.80	44.57	27.06
50 to 54.....	27.35	33.58	38.09	47.46	29.51
55 to 59.....	31.57	38.40	43.44	51.47	33.70
60 to 64.....	37.56	44.62	51.51	59.34	39.81
65 to 69.....	47.44	52.94	59.85	68.17	49.21
70 to 74.....	59.02	67.22	70.78	77.82	60.60
75 to 79.....	71.99	77.45	84.48	87.10	73.18
80 to 84.....	84.28	87.10	99.49	98.02	85.15
85 and over.....	93.48	96.40	100.00	86.36	94.01



AVERAGE NUMBER OF WEEKS OF SICKNESS CLAIM PER MEMBER SICK DURING A YEAR, BY INDUSTRIAL GROUPS.

[Source: Manchester Unity Experience, 1893-1897.]

Age.	Groups A, H, J.	Groups B, C, D.	Groups E, F.	Group G.	Whole society.
16 to 19.....	3.13	3.00	3.49	3.59	3.20
20 to 24.....	3.66	3.59	3.64	3.83	3.67
25 to 29.....	4.07	3.82	4.07	4.30	4.07
30 to 34.....	4.49	4.45	4.51	4.67	4.51
35 to 39.....	5.22	5.27	4.98	5.67	5.25
40 to 44.....	6.21	6.14	6.13	6.47	6.22
45 to 49.....	7.30	7.46	6.97	7.74	7.34
50 to 54.....	9.28	9.36	8.30	10.21	9.31
55 to 59.....	11.89	11.91	11.51	12.55	11.94
60 to 64.....	15.57	16.06	16.08	18.42	15.84
65 to 69.....	21.10	22.30	22.85	25.02	21.51
70 to 74.....	28.25	29.62	31.86	34.12	28.71
75 to 79.....	34.03	35.46	36.40	38.80	34.36
80 to 84.....	37.70	38.94	38.82	40.30	37.90
85 and over.....	38.61	39.12	45.02	43.16	38.87

The results of any single investigation undertaken at the present time, no matter how extensive it may be, can not be put out as a guide for action without regard to previously determined actuarial facts. A mere compilation of the data gathered under any practically conceivable conditions will contain accidental irregularities and provable inconsistencies at individual ages, which require that these unadjusted rates be subjected to a process of graduation by the use of such a formula as will reduce these irregularities and inconsistencies to a minimum, the result being what are known as adjusted tables. This process of graduation or adjustment has been applied to tables showing the experience of the various industrial groups described above, with the exception of Group G, in the case of the investigation of the Manchester Unity Experience.

The following tables, adjusted except as just noted, show the proportion of members sick and the rates of sickness in weeks per member per annum in various classes of industries, grouped as in the tables immediately preceding:

# CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1661

## PROPORTION OF MEMBERS SICK AND RATES OF SICKNESS PER MEMBER PER ANNUM, MANCHESTER UNITY FRIENDLY SOCIETY.

### GROUPS A, H, AND J (AGRICULTURAL OCCUPATIONS AND OCCUPATIONS NOT INCLUDED IN GROUPS B TO G).

[Source: Manchester Unity Experience, 1892-1897. Aggregate years of life considered, 2,352,099.]

Age.	Adjusted rates.								
	Proportion of members sick.			Weeks of sickness per member per annum.					
	During first 2 years' sickness.	After 2 years' sickness.	Total.	First 3 months' period.	Second 3 months' period.	Second 6 months' period.	Second 12 months' period.	Sickness after 2 years.	Total sickness.
16.....	0.300	0.000	0.300	0.816	0.048	0.017	0.009	0.000	0.881
17.....	.292	.000	.292	.796	.050	.020	.009	.000	.866
18.....	.277	.000	.277	.766	.054	.024	.004	.000	.848
19.....	.258	.000	.258	.732	.059	.029	.009	.000	.829
20.....	.244	.000	.244	.698	.065	.035	.013	.004	.815
21.....	.231	.000	.231	.670	.071	.041	.019	.009	.810
22.....	.220	.000	.221	.651	.075	.046	.026	.016	.814
23.....	.216	.000	.216	.640	.078	.050	.031	.024	.823
24.....	.216	.000	.216	.635	.080	.053	.034	.032	.834
25.....	.213	.001	.213	.633	.082	.056	.035	.039	.845
26.....	.212	.001	.213	.633	.084	.058	.036	.045	.856
27.....	.212	.001	.214	.635	.085	.060	.038	.049	.867
28.....	.212	.001	.213	.638	.086	.062	.041	.054	.881
29.....	.212	.002	.214	.643	.088	.064	.044	.059	.898
30.....	.213	.002	.215	.649	.090	.066	.048	.065	.918
31.....	.213	.002	.215	.656	.093	.068	.052	.072	.941
32.....	.214	.002	.215	.663	.096	.070	.055	.082	.966
33.....	.214	.002	.216	.670	.100	.073	.055	.093	.991
34.....	.213	.003	.215	.677	.105	.077	.056	.105	1.020
35.....	.213	.003	.216	.685	.110	.081	.058	.118	1.052
36.....	.214	.003	.216	.690	.115	.086	.062	.132	1.091
37.....	.215	.004	.218	.700	.121	.091	.068	.147	1.136
38.....	.217	.004	.220	.726	.128	.096	.074	.166	1.190
39.....	.220	.004	.224	.744	.136	.102	.080	.187	1.249
40.....	.222	.006	.227	.764	.143	.109	.087	.210	1.313
41.....	.226	.006	.230	.784	.151	.116	.092	.235	1.378
42.....	.227	.006	.232	.803	.159	.124	.098	.259	1.443
43.....	.230	.007	.236	.821	.166	.133	.105	.283	1.508
44.....	.232	.007	.238	.839	.174	.141	.112	.308	1.574
45.....	.235	.008	.241	.858	.182	.148	.120	.335	1.643
46.....	.237	.008	.243	.879	.190	.156	.129	.363	1.717
47.....	.241	.009	.248	.904	.201	.165	.138	.396	1.804
48.....	.244	.009	.253	.932	.215	.176	.148	.436	1.907
49.....	.249	.011	.257	.962	.232	.189	.161	.486	2.030
50.....	.252	.012	.262	.994	.249	.206	.177	.551	2.177
51.....	.257	.014	.268	1.027	.268	.225	.196	.631	2.347
52.....	.260	.017	.274	1.061	.288	.247	.219	.724	2.539
53.....	.266	.019	.281	1.096	.309	.272	.244	.829	2.750
54.....	.271	.021	.288	1.134	.330	.300	.275	.939	2.978
55.....	.278	.024	.297	1.175	.353	.332	.310	1.051	3.221
56.....	.284	.026	.306	1.218	.378	.368	.352	1.165	3.481
57.....	.292	.029	.316	1.262	.405	.407	.400	1.285	3.759
58.....	.300	.032	.328	1.308	.435	.449	.455	1.418	4.065
59.....	.308	.036	.337	1.356	.471	.495	.516	1.575	4.413
60.....	.315	.041	.348	1.409	.510	.547	.585	1.770	4.821
61.....	.326	.047	.363	1.466	.555	.607	.665	2.017	5.310
62.....	.335	.054	.377	1.526	.602	.674	.759	2.332	5.893
63.....	.345	.063	.394	1.587	.653	.747	.865	2.718	6.570
64.....	.355	.074	.413	1.650	.707	.824	.990	3.174	7.335
65.....	.366	.084	.434	1.715	.761	.906	1.106	3.695	8.183
66.....	.376	.098	.456	1.779	.820	.997	1.244	4.277	9.117
67.....	.390	.113	.478	1.841	.882	1.100	1.408	4.924	10.153
68.....	.396	.129	.501	1.893	.945	1.213	1.596	5.655	11.302
69.....	.408	.145	.524	1.929	1.008	1.332	1.803	6.487	12.559
70.....	.408	.171	.547	1.948	1.064	1.449	2.017	7.435	13.913
71.....	.408	.195	.568	1.952	1.110	1.554	2.224	8.506	15.346
72.....	.410	.221	.594	1.947	1.147	1.646	2.427	9.679	16.846
73.....	.410	.249	.617	1.940	1.178	1.725	2.592	10.974	18.409
74.....	.410	.282	.645	1.932	1.205	1.793	2.756	12.350	20.036
75.....	.409	.313	.671	1.921	1.228	1.856	2.905	13.802	21.713
76.....	.408	.348	.708	1.901	1.247	1.913	3.031	15.306	23.397
77.....	.408	.382	.729	1.871	1.260	1.956	3.118	16.856	25.061
78.....	.399	.421	.760	1.824	1.266	1.990	3.180	18.428	26.686
79.....	.386	.454	.782	1.764	1.259	1.973	3.216	20.053	28.265
80.....	.375	.493	.809	1.696	1.238	1.932	3.219	21.692	29.777
81.....	.369	.526	.828	1.626	1.206	1.864	3.193	23.313	31.201

PROPORTION OF MEMBERS SICK AND RATES OF SICKNESS PER MEMBER PER ANNUM,  
MANCHESTER UNITY FRIENDLY SOCIETY—Continued.  
GROUPS A, H, AND J (AGRICULTURAL OCCUPATIONS AND OCCUPATIONS NOT  
INCLUDED IN GROUPS B TO G)—Concluded.

Age.	Adjusted rates.								
	Proportion of members sick.			Weeks of sickness per member per annum.					
	During first 2 years' sickness.	After 2 years' sickness.	Total.	First 3 months' period.	Second 3 months' period.	Second 6 months' period.	Second 12 months' period.	Sickness after 2 years.	Total sickness.
82.....	0.347	0.567	0.853	1.559	1.161	1.784	3.133	24.819	32.456
83.....	.331	.598	.875	1.497	1.107	1.707	3.042	26.134	33.487
84.....	.322	.620	.891	1.436	1.055	1.648	2.926	27.246	34.311
85.....	.314	.649	.909	1.365	1.006	1.607	2.811	28.183	34.972
86.....	.301	.677	.927	1.278	.965	1.580	2.701	29.027	35.551
87.....	.287	.694	.934	1.177	.935	1.560	2.601	29.846	36.119
88.....	.275	.715	.937	1.078	.910	1.544	2.522	30.645	36.699
89.....	.263	.752	.955	1.078	.910	1.544	2.522	31.177	37.231
90.....	.252	.766	.959	1.078	.910	1.544	2.522	31.610	37.664
91.....	.248	.776	.963	1.078	.910	1.544	2.522	31.891	37.945
92.....	.247	.784	.967	1.078	.910	1.544	2.522	31.891	37.945
93.....	.247	.788	.972	1.078	.910	1.544	2.522	31.891	37.945
94.....	.247	.780	.967	1.078	.910	1.544	2.522	31.891	37.945
95.....	.248	.780	.967	1.078	.910	1.544	2.522	31.891	37.945
96.....	.248	.780	.967	1.078	.910	1.544	2.522	31.891	37.945
97.....	.248	.780	.967	1.078	.910	1.544	2.522	31.891	37.945
98.....	.248	.780	.967	1.078	.910	1.544	2.522	31.891	37.945
99.....	.248	.780	.967	1.078	.910	1.544	2.522	31.891	37.945
100.....	.248	.780	.967	1.078	.910	1.544	2.522	31.891	37.945

GROUPS B, C, AND D (OUTDOOR BUILDING TRADES, RAILWAY, SEAFARING,  
AND OUTDOOR LABORING OCCUPATIONS).

16.....	0.349	0.000	0.349	0.930	0.054	0.021	0.000	0.000	1.005
17.....	.340	.000	.340	.905	.051	.024	.000	.000	.980
18.....	.324	.000	.324	.874	.050	.022	.007	.001	.954
19.....	.303	.000	.303	.839	.062	.031	.013	.005	.950
20.....	.287	.000	.287	.804	.073	.040	.019	.010	.946
21.....	.272	.000	.272	.778	.081	.046	.025	.015	.945
22.....	.262	.000	.262	.763	.086	.051	.028	.020	.948
23.....	.258	.000	.259	.758	.090	.053	.030	.023	.954
24.....	.261	.001	.261	.759	.094	.054	.032	.025	.964
25.....	.260	.001	.261	.762	.096	.056	.035	.027	.976
26.....	.262	.001	.263	.762	.097	.059	.039	.031	.988
27.....	.261	.001	.262	.761	.098	.061	.043	.037	1.000
28.....	.261	.001	.262	.761	.099	.066	.047	.044	1.017
29.....	.258	.001	.258	.765	.103	.071	.051	.051	1.041
30.....	.260	.002	.261	.776	.107	.078	.054	.058	1.073
31.....	.260	.002	.261	.791	.115	.084	.057	.068	1.115
32.....	.261	.002	.262	.810	.124	.089	.061	.062	1.166
33.....	.261	.003	.263	.831	.132	.094	.066	.100	1.223
34.....	.267	.003	.269	.852	.140	.098	.072	.121	1.283
35.....	.266	.004	.271	.872	.148	.104	.077	.142	1.343
36.....	.270	.004	.273	.889	.156	.110	.081	.161	1.397
37.....	.273	.004	.276	.904	.163	.116	.088	.176	1.447
38.....	.274	.005	.277	.918	.168	.124	.094	.190	1.494
39.....	.273	.005	.276	.931	.173	.131	.102	.206	1.543
40.....	.273	.006	.277	.946	.180	.139	.111	.224	1.600
41.....	.277	.006	.282	.966	.189	.147	.123	.247	1.672
42.....	.279	.007	.284	.990	.201	.157	.133	.274	1.755
43.....	.283	.008	.288	1.016	.217	.167	.141	.306	1.849
44.....	.288	.008	.295	1.042	.235	.177	.146	.349	1.949
45.....	.294	.010	.302	1.066	.252	.188	.150	.398	2.054
46.....	.293	.011	.302	1.089	.267	.200	.156	.456	2.168
47.....	.297	.012	.308	1.114	.280	.215	.165	.522	2.296
48.....	.302	.014	.313	1.142	.295	.230	.182	.593	2.442
49.....	.304	.015	.317	1.176	.308	.247	.203	.667	2.601
50.....	.306	.017	.321	1.213	.322	.263	.231	.739	2.768
51.....	.315	.019	.331	1.250	.338	.280	.258	.812	2.938
52.....	.317	.020	.334	1.288	.354	.299	.288	.888	3.117
53.....	.325	.022	.343	1.327	.372	.323	.318	.978	3.318
54.....	.333	.025	.353	1.370	.399	.353	.350	1.090	3.562
55.....	.339	.028	.362	1.421	.435	.392	.381	1.230	3.859
56.....	.348	.028	.374	1.476	.477	.440	.416	1.395	4.204
57.....	.359	.036	.388	1.527	.524	.495	.456	1.583	4.585
58.....	.362	.040	.395	1.577	.569	.559	.501	1.792	4.996

PROPORTION OF MEMBERS SICK AND RATES OF SICKNESS PER MEMBER PER ANNUM  
MANCHESTER UNITY FRIENDLY SOCIETY—Continued.  
GROUPS B, C, AND D (OUTDOOR BUILDING TRADES, RAILWAY, SEAFARING, AND  
OUTDOOR LABORING OCCUPATIONS)—Concluded.

Age.	Proportion of members sick.		Adjusted rates.						
			Weeks of sickness per member per annum.						Total Sickness.
	During first 2 years' sickness.	After 2 years' sickness.	Total.	First 3 months' period.	Second 3 months' period.	Second 6 months' period.	Second 12 months' period.	Sickness after 2 years.	
59.....	0.386	0.046	0.404	1.623	0.614	0.628	0.559	2.027	5.4
60.....	.378	.052	.421	1.669	.659	.703	.641	2.290	5.9
61.....	.384	.059	.432	1.721	.709	.782	.753	2.587	6.5
62.....	.391	.067	.445	1.775	.761	.862	.894	2.932	7.2
63.....	.400	.076	.461	1.824	.810	.940	1.059	3.340	7.9
64.....	.410	.089	.481	1.859	.853	1.019	1.234	3.839	8.8
65.....	.411	.104	.495	1.882	.890	1.097	1.408	4.469	9.7
66.....	.412	.120	.510	1.896	.926	1.178	1.572	5.239	10.8
67.....	.413	.144	.534	1.919	.970	1.268	1.737	6.142	12.0
68.....	.414	.163	.561	1.959	1.030	1.371	1.912	7.176	13.4
69.....	.415	.188	.588	2.015	1.097	1.482	2.109	8.327	15.0
70.....	.416	.218	.617	2.067	1.167	1.593	2.335	9.577	16.7
71.....	.417	.250	.657	2.092	1.220	1.692	2.577	10.944	18.5
72.....	.418	.277	.680	2.083	1.246	1.764	2.802	12.409	20.3
73.....	.419	.318	.705	2.039	1.250	1.812	2.986	13.914	22.0
74.....	.420	.348	.728	1.974	1.247	1.843	3.126	15.419	23.6
75.....	.421	.381	.746	1.902	1.237	1.866	3.231	16.896	25.1
76.....	.422	.413	.762	1.826	1.234	1.880	3.296	18.339	26.5
77.....	.423	.452	.783	1.732	1.239	1.878	3.300	19.858	28.0
78.....	.424	.487	.803	1.619	1.233	1.848	3.290	21.445	29.4
79.....	.425	.531	.827	1.493	1.214	1.785	3.285	23.082	30.8
80.....	.426	.557	.853	1.369	1.181	1.701	3.270	24.742	32.2
81.....	.427	.595	.870	1.273	1.121	1.608	3.250	26.322	33.5
82.....	.428	.629	.897	1.224	1.034	1.608	3.220	27.591	34.6
83.....	.429	.655	.910	1.224	.934	1.608	3.180	28.545	35.4
84.....	.430	.677	.917	1.224	.854	1.608	3.130	29.165	35.9
85.....	.431	.722	.920	1.224	.796	1.608	3.070	29.591	36.2
86.....	.432	.739	.924	1.224	.768	1.608	3.000	30.085	36.6
87.....	.433	.750	.918	1.224	.768	1.608	3.000	30.785	37.3
88.....	.434	.760	.918	1.224	.768	1.608	3.000	31.853	38.4
89.....	.435	.765	.918	1.224	.768	1.608	3.000	33.129	39.7
90.....	.436	.755	.918	1.224	.768	1.608	3.000	35.080	41.6
91.....	.437	.755	.918	1.224	.768	1.608	3.000	35.080	41.6
92.....	.438	.755	.918	1.224	.768	1.608	3.000	35.080	41.6
93.....	.439	.755	.918	1.224	.768	1.608	3.000	35.080	41.6
94.....	.440	.755	.918	1.224	.768	1.608	3.000	35.080	41.6
95.....	.441	.755	.918	1.224	.768	1.608	3.000	35.080	41.6
96.....	.442	.755	.918	1.224	.768	1.608	3.000	35.080	41.6
97.....	.443	.755	.918	1.224	.768	1.608	3.000	35.080	41.6
98.....	.444	.755	.918	1.224	.768	1.608	3.000	35.080	41.6
99.....	.445	.755	.918	1.224	.768	1.608	3.000	35.080	41.6
100.....	.446	.755	.918	1.224	.768	1.608	3.000	35.080	41.6

GROUPS E AND F (QUARRY WORKERS, IRON, STEEL, AND CHEMICAL WORKERS  
ETC.).

16.....	0.391	0.000	0.391	1.196	0.104	0.065	0.000	0.000	1.3
17.....	.388	.000	.388	1.175	.104	.064	.002	.000	1.3
18.....	.386	.000	.386	1.138	.104	.063	.012	.001	1.3
19.....	.388	.000	.388	1.091	.106	.063	.024	.004	1.2
20.....	.354	.000	.354	1.043	.106	.063	.034	.009	1.2
21.....	.341	.000	.341	.998	.108	.063	.040	.017	1.2
22.....	.329	.000	.329	.960	.109	.065	.044	.028	1.2
23.....	.317	.001	.317	.935	.111	.063	.045	.042	1.2
24.....	.316	.001	.315	.921	.114	.071	.045	.057	1.2
25.....	.313	.002	.315	.914	.116	.074	.048	.073	1.2
26.....	.314	.002	.318	.918	.118	.078	.051	.088	1.2
27.....	.317	.003	.320	.929	.120	.081	.055	.102	1.2
28.....	.317	.002	.319	.943	.124	.083	.060	.113	1.3
29.....	.320	.003	.323	.959	.128	.085	.064	.121	1.3
30.....	.321	.003	.323	.973	.133	.088	.067	.127	1.3
31.....	.321	.003	.323	.987	.140	.091	.067	.131	1.4
32.....	.320	.003	.323	1.001	.147	.094	.067	.133	1.4
33.....	.323	.003	.325	1.012	.154	.100	.067	.135	1.4
34.....	.323	.003	.325	1.026	.161	.107	.070	.138	1.5

PROPORTION OF MEMBERS SICK AND RATES OF SICKNESS PER MEMBER PER ANNUM,  
MANCHESTER UNITY FRIENDLY SOCIETY—Continued.

GROUPS E AND F (QUARRY WORKERS, IRON, STEEL, AND CHEMICAL WORKERS,  
ETC.)—Concluded.

Age.	Adjusted rates.								
	Proportion of members sick.			Weeks of sickness per member per annum.					
	During first 2 years' sickness.	After 2 years' sickness.	Total.	First 3 months' period.	Second 3 months' period.	Second 6 months' period.	Second 12 months' period.	Sickness after 2 years.	Total sickness.
35.....	0.326	0.003	0.329	1.042	0.170	0.116	0.079	0.143	1.550
36.....	.327	.003	.330	1.059	.180	.129	.093	.154	1.615
37.....	.330	.003	.333	1.076	.191	.142	.110	.172	1.691
38.....	.333	.005	.337	1.094	.202	.155	.131	.196	1.778
39.....	.337	.005	.341	1.111	.213	.168	.152	.227	1.871
40.....	.338	.007	.342	1.126	.222	.179	.170	.260	1.957
41.....	.339	.008	.344	1.143	.231	.187	.187	.291	2.039
42.....	.343	.009	.348	1.162	.242	.195	.200	.320	2.119
43.....	.343	.009	.348	1.182	.253	.203	.209	.346	2.193
44.....	.346	.009	.351	1.205	.265	.211	.216	.370	2.267
45.....	.351	.009	.357	1.230	.276	.220	.225	.398	2.349
46.....	.357	.010	.364	1.251	.284	.230	.229	.433	2.427
47.....	.360	.011	.367	1.272	.292	.241	.230	.472	2.507
48.....	.362	.013	.372	1.292	.300	.252	.232	.524	2.600
49.....	.361	.015	.372	1.311	.308	.264	.238	.586	2.707
50.....	.362	.015	.374	1.332	.320	.280	.249	.659	2.840
51.....	.359	.017	.373	1.359	.337	.303	.271	.749	3.019
52.....	.367	.019	.382	1.392	.358	.332	.300	.857	3.239
53.....	.373	.022	.390	1.436	.384	.367	.333	.984	3.564
54.....	.381	.025	.401	1.488	.414	.407	.370	1.135	3.814
55.....	.388	.027	.413	1.551	.440	.449	.409	1.297	4.152
56.....	.396	.035	.425	1.624	.484	.490	.452	1.471	4.521
57.....	.401	.039	.434	1.702	.528	.534	.513	1.669	4.946
58.....	.411	.044	.448	1.782	.575	.586	.591	1.899	5.433
59.....	.423	.050	.463	1.867	.639	.650	.685	2.168	6.009
60.....	.435	.055	.481	1.943	.713	.728	.822	2.480	6.696
61.....	.449	.067	.500	2.005	.783	.820	.985	2.857	7.450
62.....	.457	.079	.518	2.057	.856	.924	1.153	3.315	8.305
63.....	.468	.091	.537	2.097	.933	1.035	1.335	3.862	9.262
64.....	.470	.106	.549	2.124	.995	1.152	1.517	4.523	10.311
65.....	.472	.125	.565	2.146	1.051	1.275	1.698	5.329	11.499
66.....	.475	.140	.586	2.166	1.106	1.406	1.876	6.284	12.838
67.....	.474	.161	.602	2.184	1.154	1.541	2.059	7.358	14.296
68.....	.471	.191	.622	2.198	1.204	1.676	2.270	8.528	15.876
69.....	.476	.220	.653	2.195	1.249	1.801	2.541	9.760	17.546
70.....	.464	.252	.669	2.172	1.281	1.907	2.833	11.031	19.224
71.....	.460	.282	.689	2.131	1.312	1.981	3.125	12.389	20.938
72.....	.466	.314	.716	2.068	1.322	2.016	3.383	13.879	22.668
73.....	.451	.343	.726	1.984	1.298	2.014	3.546	15.487	24.329
74.....	.446	.383	.758	1.898	1.270	1.985	3.566	17.261	25.980
75.....	.436	.426	.791	1.822	1.238	1.937	3.484	19.194	27.675
76.....	.400	.479	.816	1.759	1.198	1.887	3.320	21.230	29.394
77.....	.375	.535	.851	1.714	1.180	1.849	3.115	23.360	31.218
78.....	.362	.597	.904	1.705	1.175	1.840	2.920	25.552	33.192
79.....	.339	.625	.918	1.703	1.171	1.835	2.802	27.711	35.222
80.....	.350	.660	.943	1.703	1.167	1.832	2.802	29.780	37.284
81.....	.363	.689	.980	1.703	1.163	1.832	2.802	31.765	39.265
82.....	.336	.726	.993	1.703	1.156	1.832	2.802	33.523	41.016
83.....	.312	.752	.994	1.703	1.146	1.832	2.802	35.008	42.491
84.....	.274	.828	1.005	1.703	1.126	1.832	2.802	36.182	43.645
85.....	.197	.881	1.006	1.703	1.081	1.832	2.802	36.960	44.378
86.....	.152	.945	1.000	1.703	1.011	1.832	2.802	37.392	44.740
87.....	.132	.978	1.000	1.703	.964	1.832	2.802	37.619	44.920
88.....	.114	1.008	1.000	1.703	.942	1.832	2.802	37.721	45.000
89.....	.110	1.007	1.000	1.703	.942	1.832	2.802	37.721	45.000
90.....	.125	1.011	1.000	1.703	.942	1.832	2.802	37.721	45.000
91.....	.125	1.000	1.000	1.703	.942	1.832	2.802	37.721	45.000
92.....	.125	1.000	1.000	1.703	.942	1.832	2.802	37.721	45.000
93.....	.125	1.000	1.000	1.703	.942	1.832	2.802	37.721	45.000
94.....	.125	1.000	1.000	1.703	.942	1.832	2.802	37.721	45.000
95.....	.125	1.000	1.000	1.703	.942	1.832	2.802	37.721	45.000
96.....	.125	1.000	1.000	1.703	.942	1.832	2.802	37.721	45.000
97.....	.125	1.000	1.000	1.703	.942	1.832	2.802	37.721	45.000
98.....	.125	1.000	1.000	1.703	.942	1.832	2.802	37.721	45.000
99.....	.125	1.000	1.000	1.703	.942	1.832	2.802	37.721	45.000
100.....	.125	1.000	1.000	1.703	.942	1.832	2.802	37.721	45.000

CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1665

PROPORTION OF MEMBERS SICK AND RATES OF SICKNESS PER MEMBER PER ANNUM,  
MANCHESTER UNITY FRIENDLY SOCIETY—Continued.

GROUP G (MINING OPERATIONS).

Age.	Adjusted rates.								
	Proportion of members sick.			Weeks of sickness per member per annum.					
	During first 2 years' sickness.	After 2 years' sickness.	Total.	First 3 months' period.	Second 3 months' period.	Second 6 months' period.	Second 12 months' period.	Sickness after 2 years.	Total sickness.
15.....	0.4554	0.0000	0.4554	1.4160	0.1073	0.0396	0.0033	0.0000	1.5661
16.....									
17.....									
18.....	.4162	.0000	.4162	1.2770	.1275	.0482	.0105	.0000	1.4632
19.....	.3931	.0000	.3931	1.2410	.1401	.0764	.0106	.0000	1.4681
20.....	.3813	.0002	.3815	1.1390	.1419	.0732	.0277	.0002	1.3820
21.....	.3787	.0007	.3789	1.1570	.1345	.0665	.0354	.0011	1.3945
22.....	.3820	.0010	.3824	1.1880	.1762	.0966	.0531	.0301	1.5440
23.....	.3823	.0013	.3830	1.1680	.1338	.0718	.0450	.0385	1.4571
24.....	.3815	.0017	.3820	1.1800	.1481	.0640	.0621	.0467	1.5009
25.....	.3875	.0017	.3886	1.2200	.2092	.1127	.0558	.0570	1.6547
26.....	.3906	.0019	.3819	1.1540	.1847	.1350	.1045	.0857	1.6639
27.....	.3796	.0027	.3812	1.1810	.1752	.1221	.0694	.0954	1.6431
28.....	.3893	.0025	.3912	1.2170	.1960	.1427	.0676	.1024	1.7257
29.....	.3852	.0019	.3869	1.2000	.1766	.0770	.0620	.0907	1.6063
30.....	.3900	.0021	.3818	1.2060	.2096	.1098	.0866	.0978	1.7096
31.....	.3895	.0031	.3916	1.2430	.2049	.1494	.0945	.1169	1.8067
32.....	.3969	.0036	.3994	1.2680	.2118	.1220	.0787	.1503	1.8308
33.....	.3898	.0046	.3933	1.2580	.2312	.1369	.0943	.1813	1.9017
34.....	.3861	.0037	.3891	1.2940	.2229	.1692	.0341	.1738	1.8940
35.....	.3793	.0056	.3834	1.3020	.2771	.1865	.1322	.2057	2.1035
36.....	.4056	.0066	.4104	1.3420	.2754	.2201	.1411	.2811	2.2597
37.....	.3812	.0032	.3875	1.2860	.2344	.1880	.1352	.3463	2.1899
38.....	.3963	.0094	.4048	1.4030	.2627	.1489	.0933	.4348	2.3427
39.....	.3950	.0108	.4044	1.3720	.2580	.1880	.1137	.4677	2.3994
40.....	.4003	.0079	.4076	1.4170	.3169	.2253	.1401	.3557	2.4550
41.....	.3901	.0103	.3982	1.3940	.2832	.2400	.2183	.4395	2.5750
42.....	.4170	.0134	.4273	1.5420	.3422	.2352	.1500	.5741	2.8435
43.....	.4196	.0110	.4290	1.4850	.3322	.2640	.2566	.4899	2.8277
44.....	.4166	.0116	.4255	1.5510	.3468	.2473	.2154	.4909	2.8514
45.....	.4198	.0152	.4309	1.5060	.3505	.2227	.2541	.6186	2.9809
46.....	.4372	.0148	.4489	1.6780	.4467	.3282	.1903	.6460	3.2892
47.....	.4277	.0137	.4391	1.6050	.4298	.3471	.2793	.6167	3.2779
48.....	.4379	.0189	.4521	1.6380	.4254	.4016	.3883	.8097	3.6029
49.....	.4413	.0257	.4585	1.7680	.5226	.4428	.3963	1.0140	4.1437
50.....	.4397	.0245	.4622	1.7440	.5618	.5453	.4371	1.1470	4.4362
51.....	.4474	.0330	.4732	1.7820	.5277	.4744	.5662	1.3380	4.6883
52.....	.4437	.0359	.4722	1.7960	.6682	.6232	.4329	1.5080	5.0283
53.....	.4534	.0373	.4876	1.8110	.5284	.5916	.4503	1.7020	5.0633
54.....	.4540	.0364	.4826	1.8210	.6790	.4905	.5380	1.5930	5.1215
55.....	.4629	.0430	.4994	2.0330	.6910	.6218	.4187	1.9160	5.6806
56.....	.4671	.0456	.5044	1.8490	.6462	.6974	.6979	1.9540	5.8446
57.....	.4652	.0488	.5087	2.1810	.7848	.7442	.5429	2.0890	6.3419
58.....	.4862	.0544	.5257	2.1090	.8802	.7780	.8056	2.3200	6.8928
59.....	.4967	.0664	.5488	2.1610	.9561	.9638	1.0130	2.8220	7.9159
60.....	.5160	.0756	.5775	2.3140	1.1060	1.4510	1.3200	3.1330	9.3240
61.....	.4973	.0962	.5632	1.9800	.8389	1.2140	1.7800	3.9540	9.7699
62.....	.5018	.1154	.5955	2.1850	1.3280	1.2070	1.6650	5.0990	11.4840
63.....	.5130	.1323	.6175	2.2760	1.1430	1.2940	1.4810	5.9910	12.1850
64.....	.5047	.1563	.6328	2.2960	1.1760	1.3510	2.0610	6.4940	13.3780
65.....	.5028	.1742	.6474	2.1840	1.1690	1.4470	2.0420	7.9520	14.7940
66.....	.4918	.1993	.6527	2.1220	1.0470	1.7350	2.2940	8.7440	15.9420
67.....	.5226	.2246	.6933	2.6230	1.5140	1.6030	2.7800	9.2410	17.7610
68.....	.4896	.2522	.7066	2.0280	1.0780	1.7599	2.6140	10.9500	18.4280
69.....	.5204	.2798	.7461	2.3850	1.5290	1.9950	2.4730	11.9900	20.3720
70.....	.4668	.3475	.7461	1.8800	1.2750	1.5640	3.7450	14.5800	23.0440
71.....	.4369	.3991	.7773	1.8240	1.1180	1.3950	2.3280	18.4000	25.0650
72.....	.3871	.4470	.7832	1.7100	1.3040	2.3590	2.3320	19.1500	26.8550
73.....	.3944	.4677	.8000	1.7360	1.6790	2.2250	3.7240	20.2300	29.5940
74.....	.3569	.5184	.8079	1.1990	.8618	1.7770	4.0050	23.8900	31.7328
75.....	.3266	.5632	.8409	1.2900	.7266	1.4200	3.1930	25.9400	32.5696
76.....	.3616	.5562	.8878	1.3070	1.1320	1.9420	3.0250	26.5100	33.9160
77.....	.2941	.6353	.8706	.9412	1.0470	1.7300	3.5530	27.2900	34.5612
78.....	.3007	.6166	.8722	1.3980	.5715	.7218	2.0600	28.8700	33.6213
79.....	.2783	.6361	.9042	1.2520	.7303	1.7040	2.7650	28.8300	35.2813
80.....	.2979	.7447	.9574	.9788	.8281	2.2350	2.5540	33.3600	39.9569
81.....	.2892	.8435	1.0600	1.4940	.4338	.0000	3.0370	35.7000	40.6648
82.....	.2143	.7499	.9642	1.3980	1.5360	1.8570	.7142	32.0300	37.5302
83.....	.2708	.7567	.9729	.1621	.8108	2.2700	5.4050	29.7300	38.3779
84.....	.2424	.7273	.8484	.9090	1.3940	1.0300	2.1820	32.6000	38.1160



PROPORTION OF MEMBERS SICK AND RATES OF SICKNESS PER MEMBER PER ANNUM,  
MANCHESTER UNITY FRIENDLY SOCIETY—Continued.

## GROUP G (MINING OPERATIONS)—Concluded.

Age.	Adjusted rates.								
	Proportion of members sick.			Weeks of sickness per member per annum.					
	During first 2 years' sickness.	After 2 years' sickness.	Total.	First 3 months' period.	Second 3 months' period.	Second 6 months' period.	Second 12 months' period.	Sickness after 2 years.	Total sickness.
85.....	0.2143	0.6428	0.8572	1.5710	0.3572	1.8580	1.6430	33.0800	38.5092
86.....	.1904	.6667	.8570	.3810	1.1430	2.4770	.6667	31.9000	36.5677
87.....	.2222	.7778	.8890	.4445	.0000	.0000	5.0000	31.1200	36.5645
88.....	.1666	.8333	1.0000	1.5000	2.1660	4.3330	.6667	40.3300	48.9957
89.....	.4000	.8000	1.2000	2.0000	.0000	.0000	.0000	35.6000	37.6000
90.....	.0000	.0000	.0000	.0000	.0000	.0000	.0000	.0000	.0000
91.....	.0000	.0000	.0000	.0000	.0000	.0000	.0000	.0000	.0000

## COMBINED EXPERIENCE OF ALL GROUPS.

16.....	0.331	0.000	0.331	0.930	0.054	0.021	0.000	0.000	1.005
17.....	.321	.000	.321	.899	.057	.024	.000	.000	.980
18.....	.303	.000	.303	.855	.063	.028	.006	.000	.952
19.....	.280	.000	.280	.807	.069	.035	.012	.001	.924
20.....	.265	.000	.266	.763	.075	.041	.018	.004	.901
21.....	.251	.000	.251	.729	.081	.046	.024	.009	.889
22.....	.240	.000	.241	.708	.086	.051	.029	.016	.860
23.....	.236	.000	.236	.699	.088	.054	.035	.024	.900
24.....	.236	.000	.237	.695	.091	.057	.037	.033	.913
25.....	.234	.001	.235	.695	.093	.059	.040	.041	.928
26.....	.234	.001	.235	.696	.094	.062	.041	.048	.941
27.....	.234	.001	.235	.697	.096	.064	.044	.053	.954
28.....	.234	.002	.235	.701	.098	.065	.046	.058	.968
29.....	.233	.002	.235	.706	.101	.067	.048	.063	.985
30.....	.234	.002	.235	.713	.104	.069	.052	.069	1.007
31.....	.235	.002	.235	.722	.107	.071	.055	.078	1.033
32.....	.235	.002	.236	.731	.111	.075	.058	.088	1.063
33.....	.234	.003	.236	.740	.115	.079	.060	.101	1.095
34.....	.237	.003	.236	.750	.119	.084	.062	.114	1.129
35.....	.236	.003	.237	.761	.124	.089	.065	.129	1.168
36.....	.237	.003	.238	.773	.130	.094	.070	.145	1.212
37.....	.238	.004	.241	.788	.135	.101	.075	.163	1.262
38.....	.240	.004	.243	.805	.142	.107	.083	.183	1.320
39.....	.242	.005	.246	.824	.148	.115	.090	.206	1.383
40.....	.244	.005	.249	.843	.156	.123	.097	.230	1.449
41.....	.247	.006	.252	.862	.165	.130	.106	.253	1.516
42.....	.248	.007	.254	.881	.173	.138	.113	.277	1.582
43.....	.250	.007	.257	.899	.182	.146	.121	.301	1.649
44.....	.252	.008	.260	.918	.191	.154	.128	.327	1.718
45.....	.255	.008	.263	.938	.200	.164	.135	.357	1.794
46.....	.258	.009	.266	.960	.210	.175	.143	.391	1.879
47.....	.262	.010	.271	.985	.222	.187	.154	.431	1.979
48.....	.265	.011	.275	1.012	.237	.199	.168	.480	2.096
49.....	.270	.013	.280	1.041	.254	.213	.185	.538	2.231
50.....	.272	.014	.284	1.072	.272	.228	.203	.609	2.384
51.....	.277	.016	.290	1.104	.289	.248	.224	.691	2.556
52.....	.281	.018	.295	1.137	.309	.268	.247	.784	2.745
53.....	.286	.020	.302	1.173	.328	.294	.272	.888	2.955
54.....	.291	.022	.310	1.212	.352	.322	.300	.999	3.185
55.....	.298	.025	.319	1.255	.378	.355	.333	1.117	3.438
56.....	.304	.028	.327	1.299	.408	.394	.374	1.240	3.715
57.....	.312	.032	.338	1.345	.441	.436	.423	1.374	4.019
58.....	.319	.035	.348	1.392	.476	.484	.480	1.525	4.357
59.....	.327	.040	.359	1.440	.514	.538	.549	1.704	4.745
60.....	.335	.045	.371	1.490	.557	.597	.629	1.925	5.198
61.....	.344	.051	.385	1.545	.602	.663	.721	2.203	5.734
62.....	.353	.059	.399	1.603	.648	.734	.828	2.547	6.360
63.....	.362	.069	.416	1.662	.695	.808	.947	2.960	7.072
64.....	.370	.080	.432	1.721	.743	.884	1.072	3.443	7.863
65.....	.380	.092	.454	1.778	.792	.964	1.205	3.992	8.731
66.....	.389	.106	.474	1.833	.846	1.051	1.348	4.607	9.685
67.....	.397	.122	.496	1.884	.906	1.150	1.508	5.299	10.747
68.....	.404	.139	.518	1.926	.970	1.259	1.687	6.086	11.928
69.....	.411	.159	.541	1.954	1.032	1.374	1.883	6.981	13.224
70.....	.413	.183	.563	1.968	1.087	1.487	2.083	7.992	14.617
71.....	.414	.208	.585	1.967	1.131	1.590	2.280	9.116	16.084
72.....	.415	.225	.610	1.956	1.164	1.680	2.468	10.337	17.605



# CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1667

PROPORTION OF MEMBERS SICK AND RATES OF SICKNESS PER MEMBER PER ANNUM, MANCHESTER UNITY FRIENDLY SOCIETY—Concluded.

COMBINED EXPERIENCE OF ALL GROUPS—Concluded.

Age.	Adjusted rates.								
	Proportion of members sick.			Weeks of sickness per member per annum.					
	During first 2 years' sickness.	After 2 years' sickness.	Total.	First 3 months' period.	Second 3 months' period.	Second 6 months' period.	Second 12 months' period.	Sickness after 2 years.	Total sickness.
73.....	0.413	0.264	0.633	1.941	1.189	1.754	2.644	11.644	19.172
74.....	.412	.297	.680	1.925	1.208	1.816	2.809	13.026	20.784
75.....	.409	.327	.685	1.905	1.225	1.867	2.956	14.475	22.428
76.....	.407	.362	.714	1.877	1.238	1.903	3.078	15.977	24.073
77.....	.400	.397	.741	1.840	1.247	1.922	3.166	17.530	25.705
78.....	.395	.436	.771	1.789	1.249	1.927	3.213	19.122	27.300
79.....	.381	.470	.793	1.728	1.239	1.911	3.222	20.744	28.844
80.....	.370	.506	.819	1.680	1.215	1.879	3.203	22.363	30.320
81.....	.356	.540	.838	1.589	1.185	1.832	3.164	23.926	31.696
82.....	.344	.580	.861	1.521	1.143	1.778	3.107	25.365	32.914
83.....	.328	.610	.879	1.456	1.100	1.718	3.019	26.638	33.931
84.....	.318	.631	.900	1.389	1.055	1.667	2.903	27.748	34.762
85.....	.306	.658	.918	1.316	1.001	1.621	2.771	28.702	35.411
86.....	.291	.680	.934	1.233	.942	1.578	2.658	29.527	35.938
87.....	.277	.700	.940	1.145	.920	1.510	2.608	30.228	36.411
88.....	.264	.714	.945	1.062	.914	1.507	2.548	30.892	36.923
89.....	.255	.749	.946	1.062	.914	1.507	2.548	31.494	37.525
90.....	.248	.770	.943	1.062	.914	1.507	2.548	32.216	38.247
91.....	.247	.778	.942	1.062	.914	1.507	2.548	32.991	39.022
92.....	.247	.808	.942	1.062	.914	1.507	2.548	32.991	39.022
93.....	.249	.838	.942	1.062	.914	1.507	2.548	32.991	39.022
94.....	.249	.844	.942	1.062	.914	1.507	2.548	32.991	39.022
95.....	.249	.852	.942	1.062	.914	1.507	2.548	32.991	39.022
96.....	.249	.863	.942	1.062	.914	1.507	2.548	32.991	39.022
97.....	.249	.862	.942	1.062	.914	1.507	2.548	32.991	39.022
98.....	.249	.857	.942	1.062	.914	1.507	2.548	32.991	39.022
99.....	.249	.857	.942	1.062	.914	1.507	2.548	32.991	39.022
100.....	.249	.857	.942	1.062	.914	1.507	2.548	32.991	39.022

Without entering upon an extended analysis of the foregoing tables, it may be noted that during the early years under observation the proportion of members sick decreases from the age 16 until the age 25, according to the last table, which shows the combined experience of all groups. Up to this age also the number of members sick after two years of sickness comprise less than one-tenth of 1 per cent of the total membership, while after this age this percentage increases steadily; after the age of 60 the increase may be said to be rapid.

The proportion of members sick during the first two years of sickness does not fall to its minimum until the age of 29 is reached, after which it increases gradually, but does not attain to the rate at the age of 16 until the lapse of more than 40 years; or at an age of between 59 and 60 years. This movement is practically paralleled by the total of members sick.

Sickness during the first three months' period is by far the greater part of the total average weeks of sickness during the early years of life, and forms more than one-half the total until the age of 47. Sickness after two years is negligible at the beginning, and amounts to less

than one-tenth of the total at the age of 33; at the age of 67, however, it constitutes almost one-half of the total, having become the largest single item a decade earlier.

It would be easily possible to extend such an analysis, and to examine how far the data for the different groups of employment correspond with or vary from the summary results, but the above will suffice to further enforce what has been discovered as to the importance of accurate data on which to base the computations as to relief, and particularly in the graduated forms in which, as noted above, it is customarily offered for the different periods of sickness.

✧ The experience of the Ancient Order of Foresters, 1871 to 1875, gives a total of 109.42 weeks' sickness between the ages of 20 and 79, inclusive, for the first six months' sickness, rural members experiencing 102.49 weeks, members in towns 107.28 weeks, and those in cities 118.84 weeks. Falling within the second six months' sickness there was a total of 32.72 weeks, within the second year 34.09 weeks, while the remainder of sickness amounted to 98.39 weeks, or a total of 274.62 weeks in the 60 years covered. The proportions as to rural, town, and city population are nearly the same during the second six months' sickness as during the first, the towns presenting approximately the average rate, while the rural and city membership are respectively below and in excess of this average. This rule does not hold, however, in the more protracted cases, since during the second year rural members experience 31.71 weeks of sickness, town members 36.74, and city members 32.41, the average 34.09, as stated above. The remainder of sickness is reported at 87.77 weeks for rural members, 116.35 weeks for town districts, and 92.82 weeks for cities.

The tendency of continued or reduced sick pay to assume the nature of a pension or annuity is evidenced by the tables already given, but is more clearly brought out by a table prepared by Mr. F. G. P. Neison on the basis of the experience of the Foresters, which shows the percentage of annual sickness for each year from age 18 to 79, falling within the various periods of sickness, or, to state it differently, distributed in accordance with the duration of the claims. The table follows:

PERCENTAGE OF SICKNESS FALLING WITHIN VARIOUS PERIODS, BY YEARS OF LIFE. FORESTERS' EXPERIENCE, 1871 to 1875.

[Source: Report upon the additional statistics deduced from the original records of the sickness experience of the order, 1886.]

Age.	The proportional distribution of the weeks of sickness claim into—				Age.	The proportional distribution of the weeks of sickness claim into—			
	First six months.	Second six months.	Second twelve months.	Remainder of illness.		First six months.	Second six months.	Second twelve months.	Remainder of illness.
18.....	96.85	2.50	0.50	0.15	49.....	68.42	9.01	6.47	16.10
19.....	95.98	2.85	.69	.48	50.....	67.00	9.29	6.75	16.96
20.....	95.12	3.26	.89	.73	51.....	65.43	9.55	7.07	17.95
21.....	94.23	3.67	1.17	.93	52.....	63.73	9.79	7.41	19.07
22.....	93.30	4.05	1.48	1.17	53.....	61.91	10.02	7.79	20.28
23.....	92.35	4.41	1.79	1.45	54.....	59.97	10.24	8.21	21.58
24.....	91.37	4.71	2.17	1.75	55.....	57.94	10.43	8.68	22.95
25.....	90.36	4.96	2.42	2.26	56.....	56.13	10.63	9.10	24.14
26.....	89.39	5.18	2.66	2.77	57.....	54.53	10.84	9.46	25.17
27.....	88.45	5.39	2.89	3.27	58.....	53.12	11.05	9.76	26.07
28.....	87.54	5.58	3.10	3.78	59.....	51.90	11.27	9.98	26.85
29.....	86.65	5.74	3.28	4.33	60.....	50.84	11.50	10.14	27.52
30.....	85.79	5.87	3.43	4.91	61.....	49.47	11.71	10.38	28.44
31.....	84.91	6.02	3.60	5.47	62.....	47.83	11.88	10.72	29.57
32.....	84.02	6.19	3.78	6.01	63.....	45.94	12.02	11.16	30.88
33.....	83.11	6.38	3.96	6.53	64.....	43.84	12.12	11.73	32.31
34.....	82.18	6.59	4.21	7.02	65.....	41.56	12.19	12.43	33.82
35.....	81.25	6.83	4.46	7.46	66.....	39.50	12.28	13.04	35.18
36.....	80.35	7.04	4.69	7.92	67.....	37.63	12.38	13.55	36.44
37.....	79.49	7.22	4.91	8.38	68.....	35.94	12.51	13.93	37.62
38.....	78.67	7.38	5.10	8.85	69.....	34.42	12.65	14.19	38.74
39.....	77.89	7.50	5.26	9.35	70.....	33.04	12.81	14.31	39.84
40.....	77.14	7.59	5.39	9.88	71.....	31.69	12.95	14.42	40.94
41.....	76.37	7.69	5.51	10.43	72.....	30.39	13.05	14.54	42.02
42.....	75.57	7.80	5.62	11.01	73.....	29.13	13.13	14.65	43.09
43.....	74.75	7.92	5.71	11.62	74.....	27.90	13.18	14.75	44.17
44.....	73.91	8.05	5.78	12.26	75.....	26.71	13.20	14.86	45.23
45.....	73.05	8.19	5.83	12.93	76.....	25.47	13.24	14.97	46.32
46.....	72.06	8.36	5.93	13.65	77.....	24.19	13.31	15.11	47.39
47.....	70.96	8.55	6.06	14.43	78.....	22.88	13.41	15.26	48.45
48.....	69.74	8.76	6.24	15.26	79.....	21.57	13.54	15.43	49.46

More than one-half of the sickness falls in the first six months period until the age 60 is reached, while at the age 65 sickness for the second six months is practically equal to that of the second twelve months, after which the latter is in excess. Shortly thereafter also (at age 68) the “remainder of illness” embraces a larger percentage of sickness than does the “first six months” period, and rises to approximately 50 per cent of the total at age 79.

MORTALITY.

The foregoing tables treat chiefly of the matter of sickness experience, the question which is considered to be the one of prime importance in the conduct of the British friendly society, the question of provision in case of death taking second rank. As has been noted, sick relief is more frequently a matter of local provision, while death benefits are more likely, especially in the case of the affiliated orders, to be paid out of funds drawn from a wider area. The standards fixed by the same principal organizations are accepted in the matter of death benefits or insurance as in that of sickness experienced, and the following table will make possible a comparison of the data relating

to the mortality experience of these leading organizations or groups of organizations in this form of industrial insurance.

For purposes of comparison the following table is submitted, showing the number of persons surviving at various ages out of 1,000 living at age 18. The table includes the results of the investigation of the Independent Order of Odd Fellows, Manchester Unity, covering the years 1893 to 1897.

NUMBER OF SURVIVORS AT VARIOUS AGES OUT OF 1,000 PERSONS LIVING AT AGE 18, ACCORDING TO DIFFERENT MORTALITY TABLES.

[Source: Actuary's Report, Irish National Foresters, 1908, and Manchester Unity Experience, 1893 to 1897.]

Age.	Number of persons surviving at each age, according to table of—				
	Ancient Order of Foresters.	Independent Order of Rechabites.	Registrar of friendly societies.	I. O. O. F., Manchester Unity (1866-1870).	I. O. O. F., Manchester Unity (1893-1897).
30.....	915	938	926	922	954
40.....	828	838	848	840	896
50.....	714	815	744	734	805
60.....	552	687	584	584	653
70.....	335	461	355	370	409
80.....	118	165	113	134	137
90.....	14	19	13	16	13

Attention has already been called to the increased longevity of the population of Great Britain as it has been observed by the Manchester Unity of Odd Fellows in its different investigations. This fact makes it important to notice the dates of the observations on which the items of the above comparison are based. The Foresters' table records the experience of the years 1871 to 1875, the Rechabites that of the years 1878 to 1887, and the table of the friendly societies that of 1876 to 1880. The dates of the two Odd Fellows' investigations are given in the headings, the increase in longevity between the two dates being clearly indicated. The sole exception is in the case of survivors at the age 90, the reason for which is not apparent. The Rechabites' and friendly societies' tables are practically contemporaneous, and showed a marked advantage in favor of the temperance order. This advantage holds good in a comparison of the Rechabites' tables with all the others, except for the ages 30 and 40 in the latest table of the Manchester Unity, and it seems not unlikely that the balance of these ages would be shifted by an investigation covering the same years.

As a basis for life insurance, or the payment of death benefits, the Foresters' table would afford the widest margin, as the expected deaths would not now be realized, if the other tables can be accepted as a criterion applicable to the membership of an organization. On the other hand, for a society of general membership to adopt the tables of the Rechabites would result disastrously. If, however,

the Foresters' table is used in connection with provisions for sick benefits, the actual survivals to advanced ages (in excess of expectancy), with the accompanying increased duration of sickness periods, would tend to result disadvantageously to the sick funds.

## OLD-AGE AND INVALIDITY INSURANCE THROUGH POST-OFFICE SAVINGS BANKS.

### HISTORY.

The question of governmental provision for insurance against the hardships of an old age unprovided for by savings or other means of support has been the subject of discussion in Great Britain for almost a century and a half. Two distinct results have ensued, the one in the nature of an offer to write insurance through the post-office savings banks, providing for annuities or for payments on the death of the insured person; the other in the nature of a pension payable to indigent aged persons who comply with certain conditions, but involving no payment of premiums. The latter provision is not insurance, in any customary use of that term, but is the only activity of the state of considerable effect, the privileges of insurance through state agencies having been availed of only in a slight degree. It is apparent that invalidity is only incidentally provided for in such systems as these, and the importance of the friendly society and the trade union in furnishing opportunity for an insurance against dependence during sickness is the more clearly apparent from this fact.

In the order of their historical development the subject of annuities and insurance procurable through the post-office savings banks is entitled to first consideration. An effort was made as long ago as 1771 to establish life annuities in parishes, the amounts not to exceed £20 (\$97.33) per annum, to commence at the age of 50 years for males and of 35 years for females; deficiencies, if any, were to be made up from the parish rates. Bills containing these provisions were introduced in Parliament in 1773 and in 1789 but failed of passage. Mr. Pitt proposed the formation of parochial funds, to be raised in part by voluntary subscriptions and in part by local taxation, to be used to relieve cases of distress arising from old age or from chronic sickness, and for the support of the widows and children of deceased members of the funds. This was in the year 1796, but neither this nor a somewhat similar proposition offered in 1816 was adopted.

The first successful attempt at legislation of this class was the act of 1833 (3 and 4 William IV, chap. 14), which allowed the purchase from the national debt commissioners of annuities, either immediate

or deferred, through the agency of savings banks or of societies to be established for the purpose in places where there were no savings banks, post-office savings banks not being at this time in existence. This act fixed the maximum annuity at £20 (\$97.33) and the minimum at £4 (\$19.47). This was the beginning of a system of annuities and insurance by direct governmental action which has been continuously carried on to the present time, but has never attained any large measure of economic importance. Prior to 1864 insurance could not be written in excess of £100 (\$486.65), and only in behalf of applicants who also took out a deferred annuity or old-age pension. Little use was made of the privileges offered, and an amended law on the subject was enacted in 1864 (27 and 28 Vict., chap. 43), at which time serious and sweeping charges were made against friendly societies as an institution, the argument being that governmental agencies should be available for the use of the people generally, in order that they might not suffer from the alleged abuses and unreliability of the societies.

The title of the law was "An act to grant additional facilities for the purchase of small government annuities, and for assuring payments of money on death." Post-office savings banks had been established some three years prior to the passage of this law, and it was provided that these institutions should be the medium through which the Government should administer the insurance contemplated. The treasury was directed to frame tables of rates, and the rate of interest on the reserve fund was fixed at 3 per cent. Provision was made for policy holders who defaulted after paying for five years, or who wished to cease making payments after a like term, giving them either a return of a portion of the premiums paid in (to be not less than one-third the amount so paid) or a paid-up policy or an immediate or deferred life annuity. The maximum annuity procurable under the act was £50 (\$243.33), and the maximum and minimum amounts payable on account of death were fixed at £100 (\$486.65) and £20 (\$97.33), respectively. No contract of insurance could be made before the age of 16 or after the age of 60.

The scheme was purely voluntary and permissive and had none of the attractions of fellowship that the mutual organizations and societies offered. It was not only without interested and active promoters, but met with both competition and opposition at the hands of the friendly societies and the private insurance companies. It was of slight effect, therefore, as a measure of insurance. During the seventeen years of the operation of the act of 1864 only 6,524 life insurance contracts and 11,646 annuities were arranged for through this medium.



To this very moderate success and to the influence of the results attained in Germany in the efforts there made to provide for compulsory insurance may be traced the renewal of the consideration of government insurance in Great Britain in 1882. A committee was appointed at that time to inquire into the reasons why the act of 1864 had been of so little effect. The main reason was said to be the absence of personal motive, though in the law itself the provision fixing £20 (\$97.33) as the minimum amount of life insurance was held to debar many from securing burial money, for which this sum was unnecessarily large and often beyond the abilities of those desiring to insure; another principal defect was found in the minimum age of 16 years, since the working classes in England are to a large extent insurers of the lives of their children early in life. The new law (45 and 46 Vict., chap. 51), which followed the report of this committee, incorporated a number of the changes recommended, though not all, and removed the minimum limit on both annuities and life insurance. It also made the minimum age for taking out insurance five years, simplified procedure in a marked degree, largely increased the facilities for the payment of premiums, provided for the alteration of the original contract, etc., and made provision for a guaranteed benefit after two annual payments instead of after five as in the law of 1864.

The changes introduced were of some effect, though the increase was not of such volume as to suggest any great popularity of the scheme. For the five years preceding the act of 1882, the average annual number of annuities issued was 942, amounting to £15,864 (\$77,202), while for the first year of the operation of the new law 1,011 annuities were issued, of a total value of £20,140 (\$98,011). The number of life insurances issued through a period of five years under the old law averaged 255 per year, of a value of £20,439 (\$99,461), while under the new law the number issued during the first year was 528, the total amount being £35,390 (\$172,225).

The total number of deferred annuity contracts in force at the end of 1907 was 2,930, amounting to £61,092 12s. 10d. (\$297,307). Of these 169 were newly formed during the year, their value being £3,593 9s. (\$17,848). The number of life policies taken out was 492, amounting to £24,912 3s. 5d. (\$121,235). The total number of insurances at the end of the year was 13,261, of a value of £765,861 8s. 8d. (\$3,727,065).

#### PRESENT PURPOSE AND SCOPE.

With the end in view of extending information on the subject, circulars are prepared by the Government for distribution at the post-offices showing the principal rules relating to the issuing of annuities and insurances, and also abridged tables of premiums. The purpose



and scope of this form of undertaking can not be better summarized than is done in these circulars, copies of which follow:

#### ANNUITIES AND LIFE INSURANCE.

*Limits.*—Immediate or deferred annuities from £1 [\$4.87] up to £100 [\$486.65] may be purchased through the post-office savings bank on the life of any person over 5 years of age. These annuities are payable by equal half-yearly installments on the 5th January and the 5th July, or on the 5th April and the 10th October, according to the date of purchase. On the death of an annuitant a single payment equal to one-fourth part of the annuity is payable to the representatives, if claimed within two years.

The lives of persons of either sex between 14 and 65 years of age may be insured for any amount from £5 [\$24.33] up to £100 [\$486.65]. The lives of children between 8 and 14 years of age may be insured for £5 [\$24.33].

*Further annuities and insurances.*—If the amount of the annuity or insurance purchased is less than £100 [\$486.65] further annuities and insurances may be purchased from time to time until the total amount of annuities depending on the life is £100 [\$486.65] and the total sum insured is £100 [\$486.65].

*Security.*—The persons to whom annuities are granted, or whose lives are insured by the postmaster-general, have direct government security for the payment of the money at the proper time.

*Proposals.*—Forms of proposal for annuities and insurances may be obtained at any post-office savings bank.

*Evidence of age.*—Persons proposing to purchase annuities must furnish a certificate of birth or baptism as evidence of their age.

Proposers for life insurance furnish a statement, giving full particulars of their age, upon a form which will be supplied by the postmaster with the form of proposal. If such statement, after receipt in the savings-bank department, can be verified by the registrar general, London, no further evidence of age will be required, but if not, the proposer must provide, at his own cost, such certificate of birth or baptism, or other evidence of age, as shall be required of him.

When the age has once been proved, further contracts are granted without requiring any further evidence of age.

*Husband and wife.*—Husband and wife may each purchase an annuity of £100 [\$486.65], or they may purchase such an annuity on their joint lives, and may each be insured to the full amount of £100 [\$486.65].

*Issue of contract.*—The contract for an annuity or an insurance is issued on payment of the purchase money if a single payment, or of the first annual premium in full.

*Premiums, how payable.*—Annuity and insurance premiums are payable through the medium of a savings bank deposit account, and are accepted in addition to ordinary deposits and deposits for immediate investment in government stock. Provision can be made from time to time for the payment of premiums by depositing not less than 1s. [24 cents] at any post-office savings bank, and by the use of the

penny-stamp slips the provision can be made in sums of 1d. [2 cents] at a time.

So long as there is a sufficient sum standing to the credit of the deposit account each premium will be transferred therefrom, as it becomes due, to the account of sums received in respect of annuities and insurances, without the depositor being troubled in the matter, and notice will be sent as evidence that the premium has been paid. If the balance in the account is insufficient to cover any premium due, the depositor will be informed accordingly in time to make a deposit, which may be done at any post-office savings bank. If desired, the premiums can be transferred from the account of any person other than the annuitant or insurant with the consent in writing of the depositor.

*Friendly societies.*—Members of friendly or provident societies may pay their premiums through such societies by arrangement with the postmaster-general and the societies.

*Trading firms, etc.*—The premiums in connection with contracts granted to the employees of firms and public bodies can be paid in installments, by arrangement with the postmaster-general. A circular containing full information on the subject can be obtained from the controller of the savings-bank department.

*Payment of annuities and insurances.*—All amounts that may become due to a depositor or his representatives in respect of annuities or insurances will be credited to his deposit account, and will be paid at any post-office savings bank in the United Kingdom by means of warrants drawn on that account.

*Tables of premiums.*—The immediate annuity table is given in full in the accompanying leaflet. Some of the deferred annuity and insurance tables are also given, and any further information as to cost can be obtained from the savings-bank department. The deferred annuity tables are framed for the grant of such annuities either with or without the return of the purchase money. These annuities can be deferred for any period from 10 to 50 years. Under the purchase money returnable system, in the event of a desire to discontinue paying the premiums, or of death before the annuity commences, the whole of the premiums are returned, without interest. The premiums for deferred annuities are lower under the not-returnable system, but, as in the case of immediate annuities, the purchase money is not returnable in any event.

*Nominations.*—Any person, not under the age of 16 years, to whom an insurance is granted, may nominate a person or persons to whom the money due at death is to be paid, and a form of nomination, with full instructions as to filling it up, can be obtained upon application to the controller of the savings-bank department.

#### ANNUITIES.

*Premiums with examples.*—The following are examples of various classes of annuities and the cost:

A male aged 65 can purchase an immediate annuity of £1 [\$4.87] payable half-yearly, for £9 13s. 4d. [\$47.04].

A female aged 70 can purchase an immediate annuity of £1 [\$4.87] payable half-yearly, for £8 14s. 2d. [\$42.38].

When the condition of a deferred annuity contract is that the purchase money shall be returned either upon the death of the person on whose life the annuity is to depend, or at the option of the purchaser, provided that payment of the annuity has not, in either case, commenced:

A female aged 24 may purchase a deferred annuity of £1 [\$4.87] to commence on her reaching the age of 60, and to be payable half-yearly, either by an annual payment until she reaches the age of 60, of 4s. 4d. [\$1.05]; or by an immediate payment of £5 4s. 11d. [\$25.53].

When the condition of a deferred annuity contract is that no part of the purchase money shall, in any event, be returned:

A male aged 24 may purchase a deferred annuity of £1 [\$4.87] to commence on his reaching the age of 54, and to be payable half-yearly, either by an annual payment until he reaches the age of 54, of 4s. 4d. [\$1.05]; or by an immediate payment of £3 19s. 10d. [\$19.43].

Although in the case of annuities granted under the nonreturnable scale no part of the purchase money paid can be returned, yet if the annuity is being purchased by annual installments and the purchaser is unable to keep up the payments to the end of the period for which the annuity is deferred, the money paid is not lost, as an exchange contract can be granted for such an amount of annuity, to commence at the time fixed in the original contract as the payments made may justify.

*Joint annuities.*—Any two persons may purchase an immediate annuity on their joint lives, with or without continuance of the annuity to the survivor. The cost of any joint annuity will be furnished on application to the controller of the savings-bank department, giving the age and sex of each of the persons on whose lives the annuity is to depend.

*Life certificates.*—Before any half-yearly installment of an annuity can be paid, the person on whose life the annuity depends must be proved to be alive on the date the installment becomes due. A form of life certificate for this purpose is provided by the department.

#### LIFE INSURANCES.

*Premiums with examples.*—The premiums charged for the insurance of lives vary with the ages of the persons whose lives are insured and with the mode in which they are payable.

The following examples show various ways in which insurances may be effected:

The life of a male or female between 21 and 22 years of age may be insured for £10 [\$48.66] payable at death—

By an annual payment throughout life of 4s. [97 cents].

Or by an annual payment to the age of 60 of 4s. 4d. [\$1.05].

Or by a single payment of £4 5s. [\$20.68].

*Old-age insurances.*—The payment of a sum of money may be insured on the attainment of the age of 55, 60, or 65 years, or sooner in the event of death, by the payment of a single or annual premium, and the payment of a sum of money may be insured at the expiration of 10, 15, 20, 25, 30, 35, or 40 years, or sooner in the event of death, by the payment of a single premium.

*Insurance without medical examination.*—Insurances from £5 [\$24.33] to £25 [\$121.66], inclusive, may be effected without a medical examination upon production of satisfactory evidence as to health, but in such cases, if the insurant should die before the second annual premium becomes payable, the amount of the first premium, and no more, will be paid to his representatives, and if he should die after the payment of the second annual premium, and before the third premium becomes payable, half the amount insured, and no more, will be paid to his representatives. In either of these cases, however, if it shall be proved to the satisfaction of the postmaster-general that the death of the insured person was caused by accident, the full amount insured will be paid. In any case, immediately after the payment of the third annual premium, the insured person is, of course, entitled to the full benefit of insurance.

*Insurance with medical examination.*—Persons proposing to insure for more than £25 [\$121.66] must undergo a medical examination by a medical practitioner appointed by the postmaster-general, and the fee is paid by the department. Persons proposing to insure for sums not exceeding £25 [\$121.66] may undergo a medical examination, if they so desire, by payment of a fee of half a crown [61 cents] to the medical examiner. In all cases of insurances granted after medical examination, the insured person is entitled to the full benefit of insurance immediately the policy is issued.

The postmaster-general reserves to himself the right of declining to insure any life that may be presented.

*Surrender value paid.*—If, after having paid not less than two annual premiums, an insurant should be unable to continue, or should desire to discontinue, the payments, such sum of money will be returned as the national debt commissioners shall determine to be the surrender value of the contract.

*Residence abroad.*—Permission is granted to persons over 30 years of age who have been insured 5 years to reside in any part of the world without the payment of any extra premium.

TABLES OF RATES.

Tables showing the cost of various forms of annuities and insurance follow.

IMMEDIATE LIFE ANNUITIES.

TABLE SHOWING THE SUM FOR WHICH AN IMMEDIATE LIFE ANNUITY OF £1 (\$4.87) WILL BE GRANTED.

[The first half-yearly installment of such annuity will become due and payable on the second quarterly day of payment next following the day of purchase.]

PURCHASE MONEY NOT RETURNABLE.

Age at time of purchase.	Cost of an immediate annuity of £1 (\$4.87).		Age at time of purchase.	Cost of an immediate annuity of £1 (\$4.87).	
	Males.	Females.		Males.	Females.
5 and under 6.....	\$126.29	\$134.44	43 and under 44.....	\$83.05	\$92.38
6 and under 7.....	125.33	133.61	44 and under 45.....	81.68	90.82
7 and under 8.....	124.36	132.77	45 and under 46.....	80.28	89.24
8 and under 9.....	123.37	131.92	46 and under 47.....	78.88	87.60
9 and under 10.....	122.37	131.07	47 and under 48.....	77.44	85.93
10 and under 11.....	121.38	130.20	48 and under 49.....	75.98	84.21
11 and under 12.....	120.39	129.33	49 and under 50.....	74.48	82.47
12 and under 13.....	119.35	128.44	50 and under 51.....	72.98	80.72
13 and under 14.....	118.34	127.52	51 and under 52.....	71.42	78.98
14 and under 15.....	117.30	126.61	52 and under 53.....	69.85	77.23
15 and under 16.....	116.27	125.68	53 and under 54.....	68.23	75.41
16 and under 17.....	115.21	124.72	54 and under 55.....	66.59	73.57
17 and under 18.....	114.14	123.77	55 and under 56.....	64.91	71.72
18 and under 19.....	113.09	122.80	56 and under 57.....	63.18	69.81
19 and under 20.....	112.01	121.82	57 and under 58.....	61.42	67.89
20 and under 21.....	110.92	120.81	58 and under 59.....	59.59	65.96
21 and under 22.....	109.82	119.80	59 and under 60.....	57.75	64.01
22 and under 23.....	108.71	118.76	60 and under 61.....	55.88	62.07
23 and under 24.....	107.61	117.73	61 and under 62.....	54.06	60.10
24 and under 25.....	106.47	116.65	62 and under 63.....	52.29	58.15
25 and under 26.....	105.34	115.58	63 and under 64.....	50.53	56.21
26 and under 27.....	104.20	114.48	64 and under 65.....	48.79	54.24
27 and under 28.....	103.05	113.37	65 and under 66.....	47.04	52.21
28 and under 29.....	101.89	112.23	66 and under 67.....	45.34	50.21
29 and under 30.....	100.72	111.08	67 and under 68.....	43.70	48.20
30 and under 31.....	99.54	109.90	68 and under 69.....	42.05	46.19
31 and under 32.....	98.34	108.71	69 and under 70.....	40.43	44.24
32 and under 33.....	97.13	107.49	70 and under 71.....	38.79	42.38
33 and under 34.....	95.91	106.23	71 and under 72.....	37.19	40.50
34 and under 35.....	94.69	104.97	72 and under 73.....	35.61	38.89
35 and under 36.....	93.46	103.70	73 and under 74.....	34.09	37.23
36 and under 37.....	92.20	102.38	74 and under 75.....	32.63	35.61
37 and under 38.....	90.94	101.04	75 and under 76.....	31.23	34.03
38 and under 39.....	89.67	99.66	76 and under 77.....	29.85	32.50
39 and under 40.....	88.37	98.28	77 and under 78.....	28.55	31.00
40 and under 41.....	87.07	96.84	78 and under 79.....	27.31	29.56
41 and under 42.....	85.73	95.40	79 and under 80.....	26.08	28.16
42 and under 43.....	84.39	93.90	80 and over.....	24.90	26.83

The annuity tables give the cost of an annuity of £1 [\$4.87], and an annuity of a larger amount costs a larger sum in exact proportion. Savings bank annuities are payable by half-yearly installments on the 5th January and 5th July or the 5th April and 10th October, according to the date of purchase.

DEFERRED LIFE ANNUITIES.

TABLE SHOWING THE YEARLY SUM OR THE SINGLE PAYMENT FOR WHICH A DEFERRED LIFE ANNUITY OF £1 (\$4.87) WILL BE GRANTED.

[The first half-yearly installment of such annuity will become due and payable on the second quarterly day of payment next following one of the undermentioned periods, reckoning such periods from the day of purchase. The upper half of the table shows the rates on the payment of which the purchase money will be returned on application or on the death of the nominee if an installment of the annuity shall not have become due. Where the rates shown in the lower half are paid, no return of purchase money can be had.]

PURCHASE MONEY RETURNABLE.

Age at time of purchase.	Cost of an annuity of £1 (\$4.87) payable after the expiration of 10 years.				Cost of an annuity of £1 (\$4.87) payable after the expiration of 20 years.			
	Males.		Females.		Males.		Females.	
	In 11 yearly sums of—	In 1 sum at time of purchase.	In 11 yearly sums of—	In 1 sum at time of purchase.	In 21 yearly sums of—	In 1 sum at time of purchase.	In 21 yearly sums of—	In 1 sum at time of purchase.
21 and under 22.....	\$7.89	\$76.83	\$8.72	\$84.92	\$3.16	\$52.34	\$3.53	\$58.22
22 and under 23.....	7.79	75.88	8.62	83.97	3.12	51.50	3.47	57.30
23 and under 24.....	7.69	74.92	8.52	82.99	3.06	50.69	3.41	56.39
24 and under 25.....	7.60	73.97	8.42	82.00	3.02	49.84	3.35	55.44
25 and under 26.....	7.50	73.00	8.31	81.01	2.96	48.99	3.28	54.46
26 and under 27.....	7.40	72.02	8.21	79.97	2.92	48.14	3.22	53.47
27 and under 28.....	7.30	71.03	8.11	78.92	2.88	47.27	3.16	52.44
28 and under 29.....	7.20	70.04	7.99	77.86	2.80	46.37	3.10	51.40
29 and under 30.....	7.10	69.04	7.89	76.77	2.76	45.46	3.04	50.33
30 and under 31.....	6.98	68.01	7.77	75.65	2.70	44.55	2.98	49.27
31 and under 32.....	6.87	66.98	7.64	74.52	2.64	43.60	2.92	48.20
32 and under 33.....	6.77	65.94	7.52	73.36	2.58	42.62	2.86	47.12
33 and under 34.....	6.67	64.89	7.40	72.17	2.51	41.65	2.78	46.03
34 and under 35.....	6.55	63.81	7.28	70.95	2.45	40.64	2.72	44.89
35 and under 36.....	6.45	62.72	7.16	69.71	2.39	39.62	2.66	43.78
36 and under 37.....	6.33	61.62	7.04	68.44	2.33	38.57	2.58	42.62
37 and under 38.....	6.20	60.49	6.89	67.12	2.27	37.49	2.51	41.45
38 and under 39.....	6.10	59.35	6.75	65.78	2.21	36.38	2.43	40.25
39 and under 40.....	5.98	58.20	6.61	64.44	2.13	35.24	2.37	39.07
40 and under 41.....	5.86	57.02	6.47	63.06	2.07	34.11	2.29	37.88
41 and under 42.....	5.74	55.80	6.33	61.70	2.01	32.99	2.23	36.68
42 and under 43.....	5.60	54.57	6.20	60.32	1.93	31.92	2.15	35.48
43 and under 44.....	5.47	53.31	6.04	58.91	1.87	30.84	2.07	34.31
44 and under 45.....	5.35	52.01	5.90	57.49	1.80	29.77	2.01	33.09
45 and under 46.....	5.21	50.69	5.76	56.03	1.74	28.71	1.93	31.88

PURCHASE MONEY NOT RETURNABLE.

21 and under 22.....	\$7.36	\$68.70	\$8.27	\$78.21	\$2.68	\$40.37	\$3.14	\$48.46
22 and under 23.....	7.26	67.66	8.17	77.19	2.64	39.46	3.08	47.53
23 and under 24.....	7.16	66.59	8.07	76.18	2.58	38.55	3.02	46.58
24 and under 25.....	7.04	65.54	7.97	75.15	2.51	37.61	2.96	45.62
25 and under 26.....	6.93	64.44	7.87	74.09	2.47	36.68	2.90	44.65
26 and under 27.....	6.83	63.37	7.75	73.02	2.41	35.75	2.84	43.66
27 and under 28.....	6.73	62.27	7.64	71.92	2.35	34.82	2.78	42.64
28 and under 29.....	6.61	61.18	7.52	70.83	2.29	33.86	2.72	41.61
29 and under 30.....	6.51	60.06	7.42	69.69	2.25	32.93	2.66	40.57
30 and under 31.....	6.39	58.95	7.30	68.56	2.19	31.96	2.60	39.52
31 and under 32.....	6.29	57.83	7.18	67.38	2.13	31.00	2.53	38.43
32 and under 33.....	6.16	56.69	7.06	66.20	2.07	30.05	2.45	37.33
33 and under 34.....	6.06	55.54	6.93	65.01	2.01	29.08	2.39	36.21
34 and under 35.....	5.94	54.38	6.81	63.77	1.95	28.10	2.31	35.08
35 and under 36.....	5.82	53.23	6.69	62.51	1.89	27.11	2.25	33.92
36 and under 37.....	5.70	52.05	6.55	61.24	1.83	26.14	2.17	32.77
37 and under 38.....	5.60	50.88	6.43	59.94	1.76	25.14	2.11	31.59
38 and under 39.....	5.47	49.68	6.29	58.60	1.70	24.13	2.03	30.40
39 and under 40.....	5.35	48.46	6.14	57.24	1.64	23.14	1.95	29.20
40 and under 41.....	5.23	47.25	6.00	55.86	1.58	22.10	1.89	27.96
41 and under 42.....	5.09	46.01	5.86	54.44	1.50	21.09	1.80	26.73
42 and under 43.....	4.97	44.77	5.70	52.98	1.44	20.05	1.72	25.49
43 and under 44.....	4.85	43.51	5.56	51.52	1.38	19.00	1.64	24.23
44 and under 45.....	4.70	42.24	5.39	50.00	1.30	17.95	1.56	22.95
45 and under 46.....	4.58	40.94	5.23	48.48	1.24	16.89	1.48	21.68



The annuity tables give the cost of an annuity of £1 [\$4.87], and an annuity of a larger amount costs a larger sum in exact proportion. For instance, an annuity of £10 [\$48.67] a year would cost ten times the amount given above. These annuities can be deferred any number of years, from 10 to 50, and any cost not given above will be furnished on application to the controller, savings bank department, London.

LIFE INSURANCE.

TABLES SHOWING THE ANNUAL PREMIUMS TO ASSURE £5 (\$24.33).

Age at next birthday.	Premiums to assure £5 (\$24.33) payable—				
	At death.		At age of 55 or death.	At age of 60 or death.	At age of 65 or death.
	Annual premium for life. Table 1.	Annual premium until the age of 60 years. Table 2.	Annual premium until the age of 55 years. Table 3.	Annual premium until the age of 60 years. Table 4.	Annual premium until the age of 65 years. Table 5.
9.....	\$0.37	\$0.39	\$0.47	\$0.43	\$0.41
10.....	.39	.41	.49	.45	.43
11.....	.39	.41	.49	.45	.43
12.....	.39	.41	.51	.47	.43
13.....	.41	.43	.53	.47	.45
14.....	.41	.45	.53	.49	.47
15.....	.43	.45	.55	.51	.47
16.....	.43	.47	.57	.53	.49
17.....	.45	.47	.59	.53	.49
18.....	.45	.49	.61	.55	.51
19.....	.47	.51	.63	.57	.53
20.....	.47	.51	.65	.59	.53
21.....	.49	.53	.67	.59	.55
22.....	.49	.53	.69	.61	.57
23.....	.51	.55	.71	.63	.57
24.....	.51	.57	.73	.65	.59
25.....	.53	.59	.75	.67	.61
26.....	.53	.59	.77	.69	.63
27.....	.55	.61	.81	.71	.63
28.....	.55	.63	.83	.73	.65
29.....	.57	.65	.87	.75	.67
30.....	.59	.67	.91	.77	.69
31.....	.61	.69	.95	.81	.71
32.....	.61	.71	.99	.83	.73
33.....	.63	.73	1.03	.87	.77
34.....	.65	.77	1.07	.89	.79
35.....	.67	.79	1.14	.93	.81
36.....	.69	.83	1.20	.97	.85
37.....	.71	.85	1.26	1.01	.87
38.....	.73	.89	1.34	1.07	.91
39.....	.75	.93	1.42	1.12	.95
40.....	.77	.97	1.50	1.18	.99
41.....	.79	1.01	1.60	1.24	1.03
42.....	.81	1.07	1.72	1.30	1.07
43.....	.83	1.14	1.87	1.38	1.12
44.....	.87	1.20	2.03	1.46	1.18
45.....	.89	1.26	2.21	1.56	1.24
46.....	.93	1.34		1.66	1.30
47.....	.95	1.44		1.78	1.36
48.....	.99	1.54		1.93	1.44
49.....	1.03	1.66		2.09	1.54
50.....	1.05	1.80		2.27	1.62



These tables are applicable to assurances for amounts not less than £5 [\$24.33] and under £25 [\$121.66]. Premiums for assurances over £5 [\$24.33] are proportionately higher. For instance, the premium for an assurance of £10 [\$48.67] would be twice the amount given above.

TABLES SHOWING THE ANNUAL PREMIUMS TO ASSURE £100 (\$486.65).

Age at next birthday.	Premiums to assure £100 (\$486.65) payable—				
	At death.		At age of 55 or death.	At age of 60 or death.	At age of 65 or death.
	Annual premium for life. Table 11.	Annual premium until the age of 60 years. Table 12.	Annual premium until the age of 55 years. Table 13.	Annual premium until the age of 60 years. Table 14.	Annual premium until the age of 65 years. Table 15.
15.....	\$6.93	\$7.54	\$9.73	\$8.64	\$8.03
16.....	7.18	7.79	10.10	9.00	8.27
17.....	7.42	8.03	10.46	9.37	8.52
18.....	7.66	8.39	10.83	9.61	8.76
19.....	7.79	8.64	11.19	9.98	9.12
20.....	8.03	8.89	11.68	10.34	9.37
21.....	8.27	9.12	12.04	10.58	9.61
22.....	8.39	9.37	12.53	10.95	9.85
23.....	8.64	9.61	12.90	11.31	10.22
24.....	8.88	9.98	13.38	11.68	10.46
25.....	9.12	10.34	13.99	12.04	10.83
26.....	9.37	10.58	14.48	12.53	11.19
27.....	9.61	10.95	15.09	13.02	11.56
28.....	9.85	11.44	15.82	13.50	11.92
29.....	10.10	11.89	16.42	13.99	12.29
30.....	10.46	12.17	17.28	14.48	12.77
31.....	10.71	12.65	18.01	15.09	13.14
32.....	11.07	13.14	18.86	15.69	13.63
33.....	11.31	13.63	19.83	16.42	14.23
34.....	11.68	14.23	20.93	17.03	14.72
35.....	12.04	14.84	22.02	17.88	15.33
36.....	12.41	15.45	23.24	18.74	15.94
37.....	12.90	16.18	24.70	19.59	16.55
38.....	13.28	16.91	26.16	20.56	17.28
39.....	13.75	17.76	27.86	21.66	18.01
40.....	14.11	18.61	29.81	22.75	18.86
41.....	14.60	19.59	32.00	24.09	19.71
42.....	15.21	20.68	34.43	25.43	20.68
43.....	15.69	21.90	37.35	27.01	21.66
44.....	16.39	23.24	40.76	28.83	22.75
45.....	16.91	24.70	44.65	30.78	24.09
46.....	17.52	26.40	.....	33.09	25.43
47.....	18.25	28.23	.....	35.53	26.89
48.....	18.86	30.42	.....	38.45	28.47
49.....	19.71	32.97	.....	41.85	30.29
50.....	20.44	35.89	.....	45.87	32.36

These tables are applicable to assurances of £25 [\$121.66] to £100 [\$486.65], the premiums for assurances of less than £100 [\$486.65] being proportionately lower. For instance, the premiums for an assurance of £50 [\$243.33] would be half the amount given above.

GENERAL ADMINISTRATION.

The administration of the law governing the issue of policies of insurance and annuities rests with the national debt commissioners, the post-office savings banks being only the agents through which the details of the business are transacted locally.

The expense of conducting the business of insurance is very small, since the existing offices and officials are in no wise burdened by

the additional duties devolving upon them in connection with this branch of the work. Indeed, it was a part of the original proposition that the insurance business should not be charged with management expenses, and apart from the cost of the issue of contracts and annual transfer of accumulated savings banks deposits, the insurance section bears no financial burdens of administration.

Investments are restricted by statute to the same class of funds as are the savings bank deposits, i. e., what are known as parliamentary securities. This restricts the rate of interest as compared with that obtainable by other insuring agencies, but is in accord with the fixed policy of the Government in this respect. A departmental committee taking testimony on the subject in 1907 found the interest rate at that time to be  $3\frac{1}{2}$  per cent, while with a greater latitude of investment a return three-tenths per cent greater could have been had from the same general class of securities. It is expected that the rate shall not go below  $2\frac{1}{2}$  per cent.

It was found in 1896 that the rates of premium in use were unnecessarily high, but since the policy of the Government was opposed to the payment of dividends, there was no distribution of profits other than as effected by a reduction of the rates. This step was taken and the reduction was made to apply not only to policies subsequently issued, but to those also that were in existence at the time that it was made. New business is encouraged in some degree by allowing to any employee of the post-office who witnesses the signature of an applicant whose application is successful a fee ranging from 1s. (24 cents) for a policy of not over £10 (\$48.67) to 4s. (97 cents) for a policy of £100 (\$486.65). Efforts have been made to enlarge the class of persons to whom such commissions might be paid, but these have not met with official approval. Details as to the collection of premiums are sufficiently presented in the circular reproduced under the heading "present purpose and scope."

As already stated, the premium rates were in 1896 reduced from the standard then in use under the act of 1882, and no question as to the adequacy of the rates to secure the payment of life insurances seems to have arisen. The contracts both for deferred annuities and for life insurance are based on an interest rate of  $2\frac{1}{2}$  per cent per annum, which is the rate of British consols in which practically all insurance funds are invested. The purchase at times of these securities below par allows for a somewhat higher interest rate, but it has developed with reference to the funds and payments relative to deferred annuities that they are not adequate to meet contract liabilities. In the report of the last quinquennial valuation, made at the close of the year 1905, it was disclosed that there was a surplus in the total funds relating to insurance to the amount of £77,771 (\$378,473), while in respect of the department of deferred annuities, there was

a deficiency amounting to £96,474 (\$469,491), leaving an actual deficiency in the insurance funds to the amount of £18,703 (\$91,018). This deficiency is the result of several years' growth, being approximately £14,000 (\$68,131) in 1890 and £45,000 (\$218,993) in 1900. An investigation as to the cause of this deficiency was in progress in the latter part of 1907, but the results are not at hand. It was generally conceded, however, that the lives of annuitants were prolonged beyond the periods used in the computation of the rates in force. In this connection the departmental committee above mentioned recommended that in the future funds be invested in the most remunerative parliamentary securities available at the time of investment, and that in the surrender of policies deductions should be made in an amount adequate to meet the expenses of the various transactions involved, which had not been the case in the past.

STATISTICS OF OPERATIONS.

The operations of this system of insurance were naturally somewhat affected by the reduction of rates in 1896, this reduction taking effect February 1 of that year. An increase in the number of policies of various classes issued was an immediate result of this reduction, but the effect has not continued. A general view of the transactions had in this connection throughout a period of 12 years, beginning with 1897, is afforded by the following table:

ANNUITY AND LIFE INSURANCE BUSINESS DONE THROUGH POST-OFFICE SAVINGS BANKS, 1897 TO 1908.

[Source: Statistical Abstract for the United Kingdom, 1909.]

Year.	Immediate annuities.				Deferred annuities.				Life insurances.				
	New con- tracts.		Receipts.	Pay- ments.	New con- tracts.		Re- ceipts.	Pay- ments.	New con- tracts.		Re- ceipts.	Payments on death or surrender.	
	No.	Amt.			No.	Amt.			No.	Amt.		No.	Amt.
1897....	2,051	\$273,677	\$3,681,181	\$1,909,055	207	\$19,510	\$117,341	\$53,517	849	\$233,675	\$99,466	321	\$48,908
1898....	2,065	271,322	3,651,598	2,106,031	164	17,646	116,193	52,023	731	207,089	104,931	341	56,807
1899....	2,031	263,005	3,501,053	2,299,577	147	15,013	114,932	57,868	827	212,778	104,995	342	51,891
1900....	2,258	242,804	3,543,503	2,449,295	137	13,247	96,610	62,880	677	172,819	107,963	364	75,051
1901....	1,764	205,697	2,735,747	2,566,451	142	14,921	114,995	68,983	920	215,566	110,212	380	63,226
1902....	1,679	208,242	2,719,254	2,668,063	139	14,468	105,915	83,568	722	168,605	112,148	389	71,275
1903....	1,763	213,995	2,715,415	2,783,171	157	16,663	119,176	71,484	502	152,871	112,236	387	63,878
1904....	1,768	199,527	2,533,198	2,893,144	128	12,127	102,250	78,677	517	139,323	112,080	465	82,137
1905....	1,840	221,367	2,789,502	2,990,007	158	15,592	118,193	82,560	741	180,114	113,759	449	75,883
1906....	1,797	210,432	2,650,155	3,092,622	132	14,239	113,443	100,430	641	136,525	115,837	406	71,216
1907....	1,685	184,635	2,293,995	3,174,617	157	14,064	107,321	94,868	492	121,234	113,983	420	76,662
1908....	1,812	199,784	2,498,685	3,226,674	137	12,458	95,014	106,927	421	104,800	112,275	443	89,295

It is evident that the total of business transacted is of slight amount, and that it appears to be diminishing rather than increasing, though there is no uniform upward or downward movement. Immediate annuities, i. e., those on which return payments begin at once, are much more frequently purchased than deferred annuities, though

the purchase of the latter form has been urged upon the public as a sort of provision for old-age pay. Two reasons exist which suggest that the disparity between the numbers of the two classes will increase rather than diminish; first, the fact that weekly payments under the compensation act may be commuted by the payment of a lump sum to be computed on the basis of the cost of a purchase of an annuity through the channels of the post-office savings bank, and while the investment is not directed it is optional with the judge or other arbitrator to direct such investment; and, secondly, the enactment in 1908 of the old-age pension law, which provides for old-age pay without the necessity of prior payments by or on behalf of the beneficiary. It seems not unlikely, too, that this same law will affect the taking out of life insurance policies, since the aged widow would be entitled to old age pay, without reference to any insurance procured by her husband. Such at least is the opinion expressed by the officers of a number of friendly societies, who replied to inquiries made by the Government while the old-age pension bill was under consideration, that there was already an expression of opinion that it was not worth while to provide by outlay for what would soon be available by the action of law. It is too soon, however, to speak from experience, and the opinions of the friendly society officials may have been somewhat affected by their feeling that the new law would conflict with the interests of their organizations.

The following tables show the transactions more in detail for the business of deferred annuities and life insurances for the year 1907. Data as to immediate annuities were not included in the source used.

FINANCIAL STATEMENT OF STATE LIFE INSURANCES AND DEFERRED ANNUITIES,  
FOR THE YEAR ENDING DEC. 31, 1907.

[Source: Government Annuities and Insurances, Apr. 6, 1908.]

Item.	Receipts.				Disbursements.						
	Purchase money and premiums.	Dividends on stock.	Balance due December 31.	Total.	Balance due January 1.	Investments.	Canceled and surrendered contracts.	Payments under contracts.	Cost of management.	Balance on hand December 31.	Total.
Annuities....	\$127,462	\$58,301	\$5,124	\$190,887	\$13,467	\$51,244	\$24,227	\$99,973	\$1,976	.....	\$190,887
Insurances....	113,964	48,001	.....	161,965	8,848	68,426	18,317	58,343	4,838	\$3,193	161,965
Total..	241,426	106,302	5,124	352,852	22,315	119,670	42,544	158,316	6,814	3,193	352,852

PROPOSED REFORMS.

The enactment of the workmen's compensation act of 1906 gave rise to the question whether, in view of the large additional liability imposed by the act, facilities for insurance against the risks created by it should not be provided by the post-office. A committee was

therefore appointed March 1, 1907, to take this subject into consideration. In view of the slight use made of the general insurance provisions, already discussed, the postmaster-general added the following as indicating the scope of their deliberations: "And further, to consider whether it is desirable that steps should be taken to encourage the use of the present life insurance system of the post-office; and, if so, what steps." The committees were able to make no recommendations on the first subject, but a report on the second was made in May, 1908, in which they reviewed the history of this form of insurance and made a number of recommendations looking toward an extension of its use. One of these was for the raising of the maximum amount of life insurance obtainable through the post-office from £100 (\$486.65) to £300 (\$1,459.95). A second related to the payment of premiums, which, under the existing law, were deducted annually from the insurer's savings bank account. The recommendation was to the effect that premiums should be accepted in quarterly installments in order to meet in a measure the custom of weekly collections made by the agents of companies or societies providing other forms of insurance. Some changes in the tables of premiums were also recommended, so as to provide for endowment policies and for life policies to be paid up in a fixed term of years. Investment in more profitable securities than the consols to which investments are restricted under the law and a more thorough advertising of the scheme were the remaining principal recommendations. The law provides for a commission of from 1s. to 4s. (24 to 97 cents) payable to any employee of the post-office who procures an accepted applicant for insurance, but it was said that there was a general feeling that activity in securing business was not favorably regarded by the higher officials. It was urged that this impression be corrected, and such employees be encouraged to secure as many applicants as possible. Arrangements with friendly societies were suggested for insuring their members, especially in the case of small societies which are not able to offer death benefits in excess of burial money. The law provides that members of these societies may pay their premiums through them by arrangement with the postmaster-general and the societies themselves. It does not appear that any of these recommendations has as yet been adopted.

From reliable but unofficial sources come accounts of a proposal by the Government (1909) to arrange for a national scheme of state insurance against sickness, invalidity, etc., probably including medical benefits, and the maintenance of sanatoriums for consumptives. Invitations were extended to the leaders of the friendly-society movement inviting the assistance of these societies in the formulation of practicable proposals for their cooperation in dealing with the forms of insurance under consideration. The replies to this invitation have



shown opposing views. Thus the Loyal Order of Ancient Shepherds (Ashton Unity), at its annual conference, representing 230,000 members, welcomed the action as in no way detrimental to the interests of friendly societies, or interfering with their self-governed activities, but on the contrary as making provision for the classes who could not subscribe to voluntary agencies, and tending to the great benefit of the societies themselves. On the other hand, the Manchester Unity of Odd Fellows, with a membership more than three times as great, at its annual conference, debated the proposition at length but refused by a large majority to cooperate with the Government, on the ground that "national state assurance would strike a blow at the principles of individualism and self-help." An opponent to the resolution reminded the directors that in the order they were themselves acting in a collective capacity, and that individualism could not be consistently supported as against the proposed action. The resolution was to the effect that the conference was entirely opposed to any scheme of compulsory state insurance against sickness for persons eligible for membership in voluntary thrift agencies, but that the board of directors might assist in preparing a scheme to provide for those whose state of health debarred them from membership in such societies.

#### OLD-AGE PENSIONS.

##### HISTORY.

The subject of old-age pensions is one that has been under parliamentary consideration for above fifteen years, and for a period of almost equal duration it had attracted a large measure of public attention. A royal commission on the aged poor was appointed in 1893, which after two years of deliberation reported that they were "unable to recommend the adoption of any of the schemes as yet suggested." A new committee was appointed in 1896 "to consider any schemes that may be submitted to them for encouraging the industrial population, by state aid or otherwise, to make provision for old age." The cost and probable financial result of the schemes were to be considered, as well as their effect on the habits of the people and their influence on the prosperity of the existing friendly societies.

There was constant reference to the existing forms of relief, not only by private institutions and organizations, but also under the working of the Poor Laws, which, since the middle of the sixteenth century, had been directed to the subject of the care of the indigent. From a direction simply for the collection of voluntary alms, the first law shortly passed to one "for the punishment of vagabonds and for the relief of the poor and impotent" by means of funds procured finally by taxation. The forms of legislation adopted from time to time allowed for various methods of relief—outdoor, workhouse, and wage subsi-

dies—without attaining the desired ends of meeting actual needs and discouraging and reducing pauperism. The present Poor Law dates practically from a reform movement of about 1830, since which time a very considerable reduction in the numbers of the so-called pauper population has taken place under the operation of the revised laws, (from 45.8 per 1,000 of population in 1868 to 28.5 in 1878, 28.1 in 1888, 23.5 in 1898, and 22.7 in 1907).<sup>(a)</sup> A minority report from the royal commission of 1893 expressed the opinion that the question of old-age pensions had not been adequately considered, and suggested that, if subsequent consideration of the subject was thought desirable, it should be by a smaller body, “specially adapted to deal in a purely judicial spirit with both its social and financial aspects.”

The committee of 1896 took up the matter of pensions, more than a hundred schemes coming before it, but it was decided that schemes based on compulsion as contrasted with encouragement, as well as schemes requiring no contribution by the pensioners themselves, were, by the terms of its appointment, excluded from consideration. None of the schemes submitted was approved, as it was concluded “that there was not one of them, whatever its particular merits, which would not ultimately injure rather than serve the best interests of the industrial population.” A member of the committee had presented a draft of a scheme early in the inquiry, and this was worked on as being at any rate less objectionable than any other plan submitted. This provided for the aid of persons of 65 years of age or above who were in possession of an assured income of not less than 2s. 6d. (\$0.61) and not more than 5s. (\$1.22) per week, thus relegating to the poor funds all who had not, independently of the proposed assistance, at least a measure of support. It was not until 1899, therefore, when several bills were introduced into Parliament, and a “select committee on aged deserving poor” was appointed, that the idea of old-age pensions as finally adopted received serious official consideration. This committee, while recognizing the difficulties, financial and social, that had so impressed the earlier committees, and also commending the growth of thrift which had been favorably commented on by them, were of the opinion that a different system from any yet in operation was needed to provide for a large class of respectable, hard-working people, who at the end of a long and meritorious life, from misfortune or other cause entirely beyond their control, are without other provision for their declining years than the workhouse or inadequate outdoor relief. They therefore made a thorough inquiry into proposed schemes for a pension system, and, while their report was not acted favorably upon, their conclusions were practically the basis for the act of 1908.

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<sup>a</sup>Tables prepared in connection with the question of old-age pensions, 1907.



The conditions under which this committee recommended the allowance of a pension were that the recipient be a British subject, at least 65 years of age, not convicted during twenty years prior to the application for a pension of an offense involving a sentence to penal servitude or imprisonment without the option of a fine, not the recipient of poor relief other than medical relief during the same period unless under exceptional circumstances, and without an income of more than 10s. (\$2.43) per week. The applicant should also be a resident of the particular district in which he made his application and should satisfy the authorities that he had endeavored, to the best of his ability, by his own industry and providence, to care for himself and his dependents. Pensions were to be not less than 5s. (\$1.22), nor more than 7s. (\$1.70) per week, according to the cost of living in the locality, the funds to be raised in part by local taxation by additions to the "poor rate" and in part by government aid. The plans of the committee included a reform of the poor-law administration, without which they did not think it possible that "the needs of many of the aged and deserving poor" could be met.

It may be noted here that recipients of poor relief are subjected to certain legal disqualifications, in order to stimulate efforts to avoid "going on the rates." Furthermore, to insure that "the situation of the paupers shall not be made really or apparently so eligible as the situation of the independent laborer of the lowest class," the relief given is of such a limited nature that it is said to be often "wholly inadequate to provide for the reasonable comfort and even for the barest necessities of the poor;" while even this is so administered that "many aged people only accept relief under pressure of illness or severe distress, and often endure great suffering in order to avoid it." The Poor Law was intended to represent the state's provision for those who were classed as "the unworthy poor," but the fact remained, as already indicated, that there were large numbers, not properly so classed, who were without adequate support, and it was largely to guard these from humiliation and hardship that the select committee of 1899 made its report favorable to a pension system.

A departmental committee was therefore appointed "to make investigations on the financial aspects of the proposals of the select committee." This committee reported in 1900, submitting tables as to the numbers of persons to be provided for at various dates of commencement, and at different subsequent periods, using the ages 65, 70, and 75 as starting points. The data furnished were in part revised on the basis of the census of 1901 and republished in 1907 in connection with a preliminary memorandum on the subject of old-age pensions. Inasmuch as the law of 1908 adopted the age of 70 years as the earliest age for receiving a pension, the tables for that

# CHAPTER VI.—WORKMEN'S INSURANCE IN GREAT BRITAIN. 1689

age only are reproduced. These were based on an income test of 10s. (\$2.43) per week, or £26 (\$126.53) per year, as against an income of £31 10s. (\$153.29) per year, adopted by the act of 1908, as the limit at and above which no pension would be allowed. This would reduce the numbers here given as excluded by the income test and correspondingly increase the pensionable remainder. The tables show the estimated situation in 1907, 1911, and 1921.

## ESTIMATED NUMBER OF PERSONS IN THE UNITED KINGDOM 70 YEARS OF AGE AND UPWARD AND OF PERSONS ELIGIBLE FOR PENSIONS, 1907, 1911, 1921.

[Source: Old-Age Pensions, Tables with Preliminary Memorandum, 1907.]

### 1907.

Item.	England and Wales.	Scotland.	Ireland.	United Kingdom.
Number 70 years of age and above.....	947,505	133,422	173,359	1,254,286
Number whose income exceeds 10s. (\$2.43) per week....	298,426	40,520	54,459	393,405
Number of paupers.....	331,467	27,673	55,366	414,506
Number of aliens, criminals, and lunatics.....	12,790	1,977	1,815	16,582
Number unable to meet thrift test.....	30,908	5,930	6,353	43,191
Total deductions.....	673,591	76,100	117,993	867,684
Pensionable remainder.....	273,914	57,322	55,366	386,602

### 1911.

Number 70 years of age and above.....	985,052	135,723	165,489	1,286,264
Number whose income exceeds 10s. (\$2.43) per week....	310,072	40,351	51,829	402,252
Number of paupers.....	256,233	21,092	43,645	320,970
Number of aliens, criminals, and lunatics.....	16,949	1,834	1,819	20,602
Number unable to meet thrift test.....	39,881	7,336	7,247	54,464
Total deductions.....	623,135	70,613	104,567	798,315
Pensionable remainder.....	361,917	65,110	60,922	487,949

### 1921.

Number 70 years of age and above.....	1,092,613	142,053	146,207	1,380,873
Number whose income exceeds 10s. (\$2.43) per week....	343,809	42,883	45,903	432,595
Number of paupers.....	185,501	14,295	27,201	226,997
Number of aliens, criminals, and lunatics.....	22,338	1,787	1,700	25,825
Number unable to meet thrift test.....	54,388	8,041	6,800	69,229
Total deductions.....	606,036	67,006	81,604	754,646
Pensionable remainder.....	486,577	75,047	64,603	626,227

The tables also presented estimates of cost, but the basis of the estimate differs from the provisions of the act. It may be noted, however, that the cost of administration was placed at 4 per cent of the pension fund, and this fund was estimated to be reduced by a saving of one-third of the outdoor relief charge in 1911 and of two-thirds this charge in 1921. On this basis a total estimated cost for the United Kingdom in 1907 of £6,119,000 (\$29,778,114) would advance to £7,265,000 (\$35,355,123) in 1911 and £9,005,000 (\$43,822,833) in 1921. The cost of outdoor relief in England and

Wales was £3,797,661 (\$18,482,317) in the year 1904-5, approximating 10s. (\$2.43) per capita. The total cost of poor relief in England and Wales for the same year was £13,851,981 (\$67,410,666), the amount for the United Kingdom being £16,507,690 (\$80,334,673). What the effect of the law will be on the cost of such relief and to what cost it will itself attain are matters that must be worked out by experience. The estimates of the Government have been exceeded by the appearance of an unexpectedly large number of applicants, and official scrutiny of the lists is said to have been undertaken in some localities, notably in Ireland, in order to rectify such errors and improper claims as might be found.

#### **PRESENT PURPOSE AND SCOPE OF PENSION PROVISIONS.**

A perusal of the law (see appendix) shows that it contemplates a constant interaction between the two methods of relief, i. e., under the provisions of the Poor Law and those of the law providing for old-age pensions. How this will be borne out by experience through a series of years remains to be seen, but according to the reports presented for the current year in the Board of Trade Labour Gazette the number of paupers in January, 1909 (the first month of the operation of the law) was 10 per 10,000 greater than for the corresponding month in 1908. A similar increase is noted in February as compared with the previous February, while compared with the month of January, 1909, the increase was 2 per 10,000. For March there was an increase of 13 per 10,000 as compared with a year previous and of 2 per 10,000 as compared with the preceding month. In April the increase as compared with the preceding year continued, but at a lower rate, the number being 8 per 10,000, while as compared with the month of March there was a decrease of 11 per 10,000. The month of May showed an increase of 6 per 10,000 as compared with the previous May, and a decrease of 3 per 10,000 in comparison with the preceding month. Succeeding months show similar slight increases in comparison with the corresponding month of the previous year, until October and November, which showed decreases of 1 per 10,000 and 6 per 10,000, respectively, as compared with the same months of 1908.

The scheme arranged for grants of free pensions to those who apply therefor, who have attained a designated age and are within designated financial conditions. It may therefore be characterized as partial, voluntary, and noncontributory, though as to the last point the objection was raised by a governmental supporter of the bill that "as long as you have taxes on commodities which are consumed practically by every family in the country, there is no such thing as a noncontributory scheme. When a scheme is financed from public funds it is just as much a contributory scheme as one financed directly by means of contributions arranged on the German or any

other basis. Again, a workman who has contributed by his strength and his skill to the increase of the national wealth has made his contribution to the fund from which his pension is to come when he is no longer able to work." Admitting the force of such a statement, the fact remains that to class a scheme as contributory for which no specific provision is made by the prospective beneficiary, and, furthermore, to which the beneficiary is the smallest contributor from the standpoint of taxation, is an extension of the use of the term beyond its usual bounds.

The law provides in brief that every British subject of 20 years' standing and residence in the United Kingdom who has attained the age of 70 years and is without a yearly income in excess of £31 10s. (\$153.29) shall, on application, receive a weekly pension, ranging in amount from 1s. (24 cents) to 5s. (\$1.22), according to the value of other income. Certain disqualifications may exist, as the receipt of poor relief (except in certain forms), habitual idleness, detention or maintenance as a lunatic, and the fact of conviction of an offense for which the penalty is imprisonment without the option of a fine. A court convicting a person of 60 years of age or upward under the inebriates act may order his disqualification to receive a pension for a term not exceeding 10 years.

Careful instructions and regulations have been drawn up for the information and guidance of applicants and the administering officials. Under these regulations the disqualification on account of the receipt of poor relief attaches to a husband or father, if poor relief has been given for or on account of a wife, or of a child who is under the age of 16 and is not blind or deaf and dumb; to a widow, if such relief has been given for or on account of any child under 16; and to an unmarried woman, if poor relief has been granted for or on account of any illegitimate child under the age of 16 years. The fact that the wife or child may at the time be living outside of the family makes no difference in this respect, but the grant of relief to a husband solely for his own support does not disqualify the wife if she is otherwise eligible. No repayment of poor relief received, no matter by whom made, will operate to remove the disqualification incurred by its receipt.

The fact that one has been excused from the payment of rates on account of poverty does not amount to a disqualification for the receipt of a pension. The income of a married couple is computed for each individual as if they were single, except that the income of neither will be regarded as being less than one-half the total for the two. Thus, if a man's income is £30 (\$146) per year and his wife's is £20 (\$97.33), his income will be reckoned at its actual amount, entitling him to a pension of 1s. (24 cents) per week, while the wife's will be rated at £25 (\$121.66) and her pension at 3s. (73 cents) per week.

**GENERAL ADMINISTRATION.**

The administration of the law is committed in England and Wales to (a) pension officers, (b) pension committees, and (c) the local government board, which is the central authority and which had already in its hands the administration of the poor law and the unemployed workmen act. Pension committees are local bodies in boroughs or urban districts having a population of 20,000 or above, and in all counties (excluding the area of any such borough or district). This committee is appointed by the council of the borough, district, or county, and may not be less than seven in number nor more than the number of the appointing body. General regulations may be made by the appointing council, or such matters may be left to the committee. This committee may also form subcommittees.

Pension officers are appointed by the Treasury Department, and are usually local excise officers. These officers act for specified stations, several of which are under the control of a supervisor. These supervisors and the officers under them are in turn subject to the board of customs and excise.

An applicant for a pension can procure the necessary forms at any post-office, and it is the duty of the postmaster to render needed assistance in filling them out. The claim is transmitted to a pension officer either directly or by the pension committee for the district, and it is his duty to make personal inquiry and otherwise discover the facts bearing on the claimant's right to a pension and to make recommendations, giving his reasons therefor. This report is forwarded to the pension committee, which fixes a day for consideration, at which time the officer may be present and speak, but not vote. Further information may be demanded, and no claim will be disallowed without giving the claimant an opportunity to be heard, unless a similar claim has been disallowed within the previous four months or the claim shows on its face a failure to comply with the statutory conditions. Notice of the decision made must be sent at once to the local officer and to the claimant.

Appeals from the decisions of the committee may be taken to the local government board. An appeal must be taken within seven days after notice of the decision, and the committee must also be notified of such appeal, whereupon it must forward all documents in its hands, including the claim or question on which the appeal was taken. The board then considers the whole subject, taking such steps as may appear necessary to arrive at a proper conclusion.

## STATISTICS OF OPERATIONS.

Pensions were granted as from January 1, 1909, and first payments were to be made on that date in cases where the right thereto had been established. A partial report of the first quarter's operations shows that preliminary steps were taken for putting the law into effect in the latter part of August, 1908, and that by the end of December more than 5,000 appeals had been received, action on these forming the main part of the work of the board under the act. The number of appeals in the month of January, 1909, was 3,298; in February, 955; and in March, up to the 27th, 650, making a total up to that date of 10,068 appeals. Of these, 8,273 had been acted on at the time of the report and 702 withdrawn, found invalid on account of delay in submission, etc. During the following year (up to March 31, 1910), 5,662 appeals were received, of which 5,412 were decided, while 250 were withdrawn, etc. Among the 13,685 cases decided during the entire period the questions most frequently submitted were as to means, 6,422, and the receipt of poor relief, 4,626. In 1,326 cases the question of age was raised; in 613 that of residence, and in 424 that of nationality.

In the first few months more than 400,000 cases of persons who had attained the age of 70 before January 1, 1909, had to be dealt with by the committees, the number of pensions payable on March 26, 1909, being 369,037 in England and 24,663 in Wales, or a total of 393,700 out of a total for the United Kingdom of 647,494. On March 31, 1910, this total amounted to 699,352, of which 414,108 were in England and 27,381 in Wales.

It was estimated that £1,200,000 (\$5,839,800) would be required to initiate the system and carry it on for the first three months, January 1 to March 31, 1909. Of this sum £133,000 (\$647,244) was for expenses of administration, and £1,067,000 (\$5,192,556) for pensions. By February 28, 1909, the sum of £1,269,531 11s. 9d. (\$6,178,175) had been expended, the excess having been advanced from other funds. An additional sum of £910,000 (\$4,428,515) was thereupon appropriated. Not all of this was expended, however, the total pension payments for the quarter, including £71 16s. (\$349) paid irregularly but subsequently authorized, being £1,904,723 5s. (\$9,269,336); this with the amount spent for administration, £121,599 17s. 11d. (\$591,766), made the total cost of the system for the quarter £2,026,323 2 s. 11 d. (\$9,861,102).

The appropriation for the fiscal year ending March 31, 1910, was £8,750,000 (\$42,581,875), £50,000 (\$243,325) of which was for administration, leaving £8,700,000 (\$42,338,550) as the sum actually to be paid as pensions. The large diminution in the amount for administration is to be explained by the fact that the inauguration of the system involved expenses that were not continuing.



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## CHAPTER VII

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# WORKMEN'S INSURANCE IN ITALY.

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## CHAPTER VII.

### WORKMEN'S INSURANCE IN ITALY.

#### - INTRODUCTION.

The beginnings of workmen's insurance in Italy may be traced to voluntary cooperative organizations. These organizations provided for mutual help in a great many different emergencies, but primarily for sick benefits. They were known in the eighteenth century, but began to develop rapidly in the seventies of the nineteenth century, and by 1886 their importance was sufficiently great to cause the adoption of a special law regulating them to some extent. A few years before, by the law of 1883, the National Accident Insurance Institution was authorized for voluntary insurance against accidents. This was a private institution, formed for that purpose by a combination of 10 savings banks, but under government supervision.

For the next fifteen years the question of workmen's insurance in all its phases was under continuous discussion, but very little of actual legislation was accomplished. On March 17, 1898, the accident insurance law was passed, establishing what is practically compulsory accident insurance, though with freedom of selection of the carrier of the insurance, for a considerable portion of Italian manufacturing industry and mining. In the same year the national institution for voluntary old-age and invalidity insurance was organized.

These two laws of 1898 present the essential legislative acts of Italy in connection with workmen's insurance. The accident insurance system was considerably extended and amended by the act of June 20, 1903, the codified text of the law being published January 31, 1904, and the system of voluntary old-age and invalidity insurance was modified by the amending acts of July 7, 1901, and of May 20, 1907. But no essentially new principles were introduced by any of these amending acts.

Very little has been accomplished by the Italian Government in the field of sickness insurance in comparison with accident and old-age insurance. The only measure enacted of any importance is the law of April 15, 1886, concerning recognition or incorporation of the voluntary private mutual benefit societies which concern themselves mainly but not exclusively with sickness insurance.

Maternity insurance, which may be considered as a form of sickness insurance, has been earnestly discussed in Italy for over a decade.

The question was raised by a few individuals early in the last decade of the nineteenth century, and the influence of their agitation in private organizations was powerful enough to call forth a government bill for the creation of a national maternity insurance institution. This bill, with some modifications, became a law on July 17, 1910.

An explanation of the slow development of social insurance in Italy may be found in the general economic status of the country. The occupational statistics of Italy disclose the fact that it is still largely an agricultural country.

In 1901 the number of persons employed in the manufacturing industries (including mining) in Italy did not exceed 16 per cent of the total population over 9 years of age, or about 25 per cent if only persons gainfully employed be taken into consideration. Agriculture claimed 38 per cent of the total adult population, or nearly 60 per cent of that part which was gainfully employed. The occupational statistics of the census of 1882 and of 1901 were presented according to different systems of classifications and are scarcely comparable; nevertheless a comparison of the statistics for the two years indicates an absence of any very large and rapid development of industrial employment.

NUMBER AND PER CENT OF PERSONS OVER 9 YEARS OF AGE IN ITALY, CLASSIFIED BY INDUSTRY AND SEX, CENSUSES OF 1882 AND 1901.

[Source: Annuario Statistico Italiano, 1906-1907, Vol. I, p. 111.]

Industry, etc.	Census of January 1, 1882.			
	Males.	Females.	Total.	
			Number.	Per cent.
Agriculture, fishing, etc.....	5,513,545	3,101,163	8,614,708	38.20
Mining, metallurgy, stone quarrying, etc.....	399,920	7,915	407,835	1.81
Manufacturing, etc.:				
Building.....	518,876	67,914	586,790	2.60
Textiles.....	137,476	1,213,978	1,351,454	5.99
Clothing.....	494,432	498,523	992,955	4.40
Food products.....	267,938	55,615	323,553	1.44
Wood and straw working.....	307,802	73,400	381,202	1.69
All other industries.....	152,520	28,554	179,074	.79
Total manufacturing, etc.....	1,879,044	1,935,984	3,815,028	16.91
Transportation.....	310,519	2,664	313,183	1.39
Commerce and exchange.....	325,716	71,377	397,093	1.76
Public undertakings.....	118,298	71,280	189,578	.84
Domestic service, private employ, etc.....	306,822	413,022	719,844	3.19
Public administration.....	164,962	2,400	167,362	.74
Professions.....	271,652	95,470	367,122	1.63
Defense of the land.....	160,155	.....	160,155	.71
Persons living from revenues.....	427,456	535,425	962,881	4.27
Persons supported by families.....	554,480	4,103,606	4,658,086	20.66
Persons supported by public or private charity, vice, etc.....	101,115	96,161	197,276	.88
Persons of unknown occupation.....	725,284	855,691	1,580,975	7.01
Total.....	11,258,968	11,292,158	22,551,126	100.00

NUMBER AND PER CENT OF PERSONS OVER 9 YEARS OF AGE IN ITALY, CLASSIFIED BY INDUSTRY AND SEX, CENSUSES OF 1882 AND 1901—Concluded.

Industry, etc.	Census of February 10, 1901.			
	Males.	Females.	Total.	
			Number.	Per cent.
Agriculture, fishing, etc.....	6,466,165	3,200,302	9,666,467	38.08
Mining, metallurgy, stone quarrying, etc.....	546,222	9,938	556,160	2.19
Manufacturing, etc.:				
Building.....	558,890	5,908	564,798	2.22
Textiles.....	121,479	661,774	783,253	3.08
Clothing.....	574,666	539,177	1,113,843	4.39
Food products.....	270,431	44,069	314,500	1.24
Wood and straw working.....	343,139	67,796	410,935	1.62
All other industries.....	203,563	42,764	246,327	.97
Total manufacturing, etc.....	2,072,168	1,361,488	3,433,656	13.52
Transportation.....	416,152	7,639	423,791	1.67
Commerce and exchange.....	468,918	111,179	580,097	2.29
Public undertakings.....	140,769	52,087	192,856	.76
Domestic service, private employ, etc.....	226,795	404,440	631,235	2.49
Public administration.....	173,177	5,064	178,241	.70
Professions.....	274,084	131,927	406,011	1.60
Defense of the land.....	204,012	.....	204,012	.80
Persons living from revenues.....	301,596	299,156	600,752	2.37
Persons supported by families.....	1,160,969	7,194,804	8,355,773	32.91
Persons supported by public or private charity, vice, etc.....	80,178	66,675	146,853	.58
Persons of unknown occupation.....	10,603	.....	10,603	.04
Total.....	12,541,808	12,844,699	25,386,507	100.00

ACCIDENT INSURANCE.

The present system of compulsory insurance of workmen against industrial accidents dates back to the law of March 17, 1898, which went into effect September 17, 1898. The law was considerably amended by the act of June 29, 1903, and promulgated in codified form January 31, 1904, in which form it went into effect through a retroactive clause December 30, 1903.

The system of compulsory insurance of workmen against accidents has been in existence in Italy for over ten years. The substitution of this system for the old system of employers' liability was not established in a day. The first efforts of reform of the legal principle of employers' liability began as early as 1879, and the history of these efforts, lasting almost uninterruptedly through two decades, gives interesting material for the study of the development from the one extreme of civil liability of the employer for his act to the other of an absolute right of the employee to compensation in case of industrial accidents, the concept of trade risk, and the collective responsibility of the industry rather than of the individual employer for the loss of life and health unavoidably connected with modern industrial processes.

The Civil Code, which went into effect in Italy January 1, 1866, repeats in its articles 1152, 1153, 1157, and 1644 the provisions of



the French civil code concerning the responsibility of the employer for injuries to employees. These provisions differ little from the general principles of responsibility for injuries resulting from the acts of commission or omission of any person or his agents.

#### HISTORY OF ACCIDENT INSURANCE LEGISLATION.

The conviction that the common law did not supply the necessary protection of the industrial worker, and that there was need for special protective legislation, found its first formal expression in the Chamber of Deputies in the bill covering workmen in the construction of buildings, in mines, and workshops introduced March 17, 1879. The basic principle of this proposal was the transfer of the burden of proof from the employee to the employer. It proposed that the employers of labor in the industrial fields indicated should be responsible for injuries sustained by workmen through industrial accidents unless these accidents had been caused through the fault of the victim or through pure chance. This bill never came up for open discussion in the Chamber.

A bill introduced in the Chamber of Deputies June 9, 1880, was based on the same principle of civil responsibility with change of the burden of proof, and in the main followed the lines laid down in the earlier proposal. This proposal did not meet with any greater success than of the pioneer proposal of 1879.

The two preceding bills introduced were proposals of individual deputies and did not seem to have any considerable influence upon the membership of the Chamber. The numerous proposals made within the next two decades all came from the Government. The first of these government proposals was introduced in the Chamber of Deputies June 28, 1881. In the main, this first governmental proposal followed the lines of its predecessors. It aimed to establish the presumptive liability of owners of land and buildings and employers of factories, mines, and quarries, in case of accidents caused by total or partial collapse of buildings during construction, landslides, excavations, explosions, and similar occurrences, but not in all accidents, as provided in the preceding bill of 1880.

A parliamentary commission appointed to examine into the governmental proposal as well as into that of the preceding year, brought in its report November 24, 1881. This report entirely rejected the fundamental basis of all these proposals. It asserted that the presumption of fault of the employer, and the consequent imposition upon him of the burden of proof, was a sudden, radical, and dangerous digression from the established principles of the common law. It admitted the justice of the responsibility where the cause of the accident could be traced to the employer, but thought the presentation of proof to that effect essential.

A new bill was introduced February 19, 1883, based, like the preceding ones, upon the principles of transfer of the burden of proof, and also accepting the principle of joint responsibility of the owners and managers as indorsed by the parliamentary commission of 1881, to which it added the responsibility of the engineers and architects who direct the work. In other particulars the bill differed materially from the earlier bills. It was broader in scope in that it included railroads. The bill provided that if the employer participated in the cost of insurance of his employees against industrial accidents, at least up to one-third of the premiums, the amount of the insurance must be deducted from the amount of indemnity granted by the court. This provision was to act as a stimulus for encouraging such insurance, with the employer's participation in the cost. It is evident that in introducing this clause the Government had in view its plan for the establishment of the national fund for insurance of workmen against accidents, which was accomplished in the same year by the law of July 8, 1883.

This second government bill was referred to a parliamentary commission, which reported it back April 8, 1884. Again the parliamentary commission refused to accept the reforms contained in the government proposal, insisting that they were at variance with the fundamental principles of civil law. Instead of the joint responsibility of engineers, managers, employers, and owners for accidents it proposed a new bill containing specific regulations for the prevention of accidents in each industry and civil liability only in case of non-compliance with such regulations, only such persons being liable who were guilty of such noncompliance. It also introduced other limitations, such as the exclusion of the railroads. This modified bill according to the report brought in by the commission was to protect the rights and interests of workers without injuring any other rights and without prejudicing the industrial progress of the country.

The original bill of 1883, as well as the amended bill of the parliamentary commission, came up for an extended discussion in the Chamber of Deputies and was adopted by the Chamber June 15, 1885. In passing this bill the Chamber included many important amendments, in which the influence of the German insurance system could be seen. The purpose of these amendments was to stimulate further the insurance of employees by the employers, though a voluntary system was thought preferable and better adapted to Italian conditions than the compulsory system established in Germany, and for the purposes of such voluntary insurance the National Insurance Fund already existed.

The bill as passed by the Chamber of Deputies finally came up for discussion in the Senate, when a report was made by a senate commission on April 2, 1886. The majority of the senate commis-

sion disagreed entirely with the fundamental principle of the bill and presented a counter project, which made the owners, employers, etc., responsible for the accident only when these persons had not conformed to all requirements as to prevention of accidents. The bill and the counter proposition were thoroughly discussed, but led to no practical results.

These discussions in the Senate closed the first period of the history of workmen's insurance against accidents in Italy—a period based upon the strengthening of the civil responsibility of the individual employer (employers' liability), with leanings during the last two years of the period toward a system of voluntary insurance.

A new period was ushered in by the new minister of commerce and agriculture, requesting Prof. Carlo F. Ferraris to prepare a report covering the entire subject of insurance of workmen against accidents. The selection was significant, as Professor Ferraris was known as a believer in the system of obligatory insurance. In his report to the commission<sup>a</sup>) Professor Ferraris proposed a system based upon obligatory insurance, totally at the expense of the employers, covering all cases of accidents, including those caused by the negligence of the victim himself, and he combined with this system of obligatory insurance preventative measures, so as to reduce the frequency of accidents. Notwithstanding a very violent opposition, the proposal of Doctor Ferraris was accepted by the consultative commission with certain slight modifications which involved a slight contribution of the workmen to the cost of insurance and in the beginning a limitation of the group of industries to be covered by the law. In this latter limitation the commission was quite persistent in including under the law only mines and quarries, the manufacture of explosives, and the construction of buildings.

Upon these principles a government bill was introduced in the Chamber of Deputies February 8, 1890, applicable (1) to workmen of all establishments in dangerous industries, namely, mines, quarries, construction, and the manufacture of explosives; (2) in establishments employing over ten workers and making use of mechanical power, shipyards, arsenals, mineral and metal working, mechanical construction, and textile industries. The same conditions were made applicable to government establishments as to private plants. Only those private establishments were excepted from the obligation of insurance which had special funds for giving the workmen compensation in case of accidents and such state establishments as are provided for by special legislation. Of the insurance premium, nine-tenths were to be paid by the employer and one-tenth by the

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<sup>a</sup>Carlo Ferraris, *L'assicurazione obbligatoria e la responsabilità dei padroni ed imprenditori per gli infortuni sul lavoro*. Rome, 1890.

employee. The employer must advance the employee's share, but may deduct it from his wages. The bill permitted insurance either with the national insurance institution, organized in 1883, or with any private authorized insurance company. Several provisions of the bill were intended to prevent industrial accidents. With the exception of cases of criminal responsibility of the employee the insurance system was intended to be a substitute for the old liability under the civil code, and the employees were absolved from this liability.

The parliamentary commission charged with the study of this bill presented a report on June 7, 1890, <sup>(a)</sup> which, for the first time in the experience of parliamentary commissions of the Italian Chamber, was favorable to the principle of compulsory accident insurance and the other essential features of the law, except that it suggested the exclusion of all cases leading to temporary disability of less than three weeks duration and the payment of indemnities beginning with the fourth week of disability. The minor accidents, in the opinion of the commission, were better taken care of by the voluntary associations of the workmen.

This bill and the report of the commission did not come up for discussion on the floor.

The next bill was introduced in the Senate by the minister of agriculture, April 13, 1891. <sup>(a)</sup> This was practically the same as the previous bill, as amended by the parliamentary commission. An important change was in the period during which no indemnities are to be paid, which was reduced from three weeks to two. This bill went to a senate commission, which brought in a substitute February 19, 1892, differing in many essential points from the ministerial bill. <sup>(b)</sup>

The most important points of difference were as follows: First, the senate commission proposed to except the accidents due to gross negligence of the victim from the action of the law, claiming that by compensating such accidents the law would stimulate carelessness on the part of the employees. Second, it proposed to include persons in a supervisory capacity, provided they did not receive over 6 lire (\$1.16) per day. Third, it embodied in the law a scale of compensation, which the preceding two bills left to the discretion of administrative authorities. Finally, greater attention was paid to the subject of prevention of accidents.

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<sup>a</sup> Bulletin du Comité Permanent du Congrès International des Accidents du Travail, tome 2, 1891, pp. 298-303.

<sup>b</sup> Bulletin du Comité Permanent du Congrès International des Accidents du Travail, tome 3, 1892, pp. 4-21.



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## CHAPTER VII.

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# WORKMEN'S INSURANCE IN ITALY.

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Carlo Ferraris was intrusted with the preparation of this report, as he had been seven years earlier. The principles proposed by Ferraris in his report<sup>(a)</sup> were on the whole in accordance with the bill which passed the Chamber of Deputies in May, 1896. The most important suggestion was for the purpose of settling the much-discussed question of personal responsibility of either employer or employee. In the opinion of Professor Ferraris, all accidents caused by "civil fault" (such fault as carried with it civil responsibility only) of the employer or his agents should be classed together with other accidents in the class of trade risk and be subject to obligatory insurance, while such accidents as are due to criminal negligence, according to the provisions (as established by a punitive sentence of a court), should carry civil liability.

These suggestions were approved, and April 30, 1897, the Government introduced in the Senate a new bill based upon them.<sup>(b)</sup> In the main the new bill was similar to that adopted by the Chamber of Deputies May 27, 1896. It included the same provisions for prevention of accidents, and endeavored to introduce a system of obligatory insurance with choice of insuring company; it covered, briefly, all mining and manufacturing establishments employing over 5 persons, building, construction, transportation on land and inland waters, and orders compensation only for injuries causing disability for over ten days. While the freedom of choice of the insurance institution was provided for, it was limited either to the national institution or the employers' mutual insurance associations, thus demonstrating the influences of German example and experience. The question of the civil responsibility of the employers in case of criminal negligence was settled on the lines suggested by Professor Ferraris, i. e., the civil responsibility remained in case of fraud, negligence, incapacity, or failure to comply with rules or orders, as provided for in certain articles of the penal code, if such fraud, etc., has been established by a punitive sentence of a court.

This bill was sent to the central bureau of the Senate, which brought in its report June 22, 1897. The only important modification introduced by the commission was the establishment of greater liberty of choice of insurance institution, and the permission to establish independent funds under strict guarantees. The bill was adopted by the Senate with scarcely any changes July 5, 1897, and introduced in the Chamber of Deputies two days later. The report of the parlia-

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<sup>a</sup> Relazione del Professore Carlo Francesco Ferraris sul Tema: "Gli infortuni del lavoro e la legge." Atti del Consiglio della Previdenza. Allegate B. pp. 205-322. (Ministero di Agricoltura, Industria e Commercio, Divisione Credito e Previdenza Annali del Credito e della Previdenza, 1897.)

<sup>b</sup> Bulletin du Comité Permanent du Congrès International des Accidents du Travail et des Assurances Sociales, tome 8, 1897, pp. 215-228.



mentary commission on this bill, brought in February 10, 1898, showed that the principle of trade risk, which had caused so much opposition in the earlier days, had become generally accepted by that time. The idea of free choice of the insurer (with insurance compulsion) had as many adherents as the method of compulsory insurance in a designated institution. At the same time the failure of voluntary insurance was freely admitted, as only one-tenth of the industrial workmen were insured in the national insurance institution. The commission recommended the adoption of the law, and after prolonged discussion it was adopted by 172 votes against 60 on March 13. It was approved and became a law March 17, 1898, promulgated March 31, 1898, and went into effect six months later, September 30, 1898.

The law of 1898 provided compensation for all injuries caused by industrial accidents and leading to death or disability lasting more than five days. It was applicable, first, to mines and quarries, building, gas-producing, electric-power establishments, such establishments where explosives are produced or utilized; second, railroad transportation, inland navigation, tramways, and construction works; and, finally, to industrial establishments utilizing mechanical or animal power and employing more than five persons. Within these branches of industry it applied to workmen, apprentices, and overseers receiving not more than 7 lire (\$1.35) per day. No exception is made for accidents due to gross negligence of employees, but when the accident is due to willful misconduct, as established by a judicial conviction, the person or institution paying the compensation may be reimbursed through a criminal action.

The scale of compensation established was briefly as follows: In case of death or total permanent disability an amount equal to 5 times the annual wages, with a minimum of 3,000 lire (\$579) in the latter case; a proportionate amount in case of partial permanent disability; in case of total temporary disability—a daily compensation equal to one-half the average wages from the sixth day on, and a corresponding portion in case of partial temporary disability. The compensation for death or permanent disability is paid in a lump sum, except in case of total permanent disability, when it must be converted into a life pension for the injured employee with a designated financial institution.

For the payment of this scale of compensation, the employers were required to insure their specified employees either in the National Accident Insurance Institution or in authorized private insurance societies, while for public establishments, whether of the State or provincial or communal governments the national institution is prescribed; under certain conditions an employers' association for mutual insurance against accidents, or even a private employer's insurance fund could be substituted; government establishments for which pro-

vision has been made by special legislation are relieved from this obligatory insurance. Compliance with this law relieved the employer from his responsibility under the civil law except in such cases when he or his agents are criminally responsible for the accidents as established by judgment of a court.

Perhaps the most important advance of the law over preceding bills was the establishment of a government fund for compensation of injured employees who have failed to receive the compensation due them on account of insolvency of the employer who has failed to insure his workers. Into that fund are paid the indemnities due in case of fatal accidents, when the persons killed leave no heirs.

The law contained several provisions concerning accident prevention. It required the minister of agriculture, industry, and commerce to prepare regulations after consultation with the employers in the industries specified and with government authorities on the subject, and the failure to comply with these regulations was made a criminal offense. No special factory inspection was organized to carry this law into effect, but the existing mine inspectors and the private agencies were to be utilized, such as the employers' mutual insurance associations and societies for prevention of accidents.

On June 1, 1901, less than three years after the law of 1898 went into effect, the movement for amendment of the law was started by the introduction of a bill by the minister of agriculture, industry, and commerce, in the Chamber of Deputies.<sup>a</sup> The most important changes suggested in this bill were as follows: First, the extension of the law to the following industries—the installation and repair of electric conduit wires and lightning rods; deep-sea navigation and fishing; loading and unloading, leveling, and grading; felling and pruning trees; all employees working near industrial or agricultural machines, moved by mechanical power, and those employed to handle cannons or other apparatus for counteracting hail. For the proper organization of the insurance of persons employed in maritime navigation, special regulations were included in the law in view of the many peculiar conditions governing this industrial field.

Second, important modifications were made in the scale of compensation for disability. For total permanent disability the compensation was increased from five to six times the annual wages, though the minimum limit was left unchanged. A corresponding increase was proposed in the compensation for partial permanent disability from five to six times the loss of annual earning power. According to the law of 1898, only those injuries were compensated which

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<sup>a</sup> Le projet de loi portant modifications à loi du 17 mars 1898 relative aux accidents du travail. Bulletin du Comité Permanent du Congrès International des Accidents du Travail, tome 12, 1901, pp. 365-407.

caused disability for over five days, and the payment of compensation began with the sixth day. While no change was suggested in the class of injuries compensated, the new bill proposed that in these cases the compensation be paid for the entire period of disability.

Third, a most important change suggested was that referring to persons entitled to compensation in case of a fatal accident. The old law simply named the legal heirs according to the Civil Code. The bill of 1901 suggested a complicated schedule showing the distribution of the compensation between the widow and children and the other relatives in descending or ascending line. More exact methods of computing the annual earnings of the injured employees, for the purpose of determining the amount of compensation due, were also introduced.

Fourth, the original law exempted from the obligation of insurance at fixed premiums in the National Accident Insurance Institution or private insurance companies such establishments as formed employers' mutual accident insurance associations, which distribute the cost by assessment of the membership. Notwithstanding this effort to stimulate employers' mutual associations, only four such associations had been formed. The new bill gave the Government the right to make the formation of such mutual associations compulsory if after consultation with local interests it found such a step necessary. As was explained in the memorial accompanying the bill, the provision was aimed directly at the sulphur mines of Sicily, which caused great difficulties to insurance companies writing accident insurance for them, because of the frequency of accidents.

Other changes suggested referred mainly to methods of procedure and were of minor importance.

The government bill was referred to a parliamentary commission, which handed in a favorable report December 30, 1901, indorsing most changes recommended by the Government, but suggesting several minor changes, of which the most important were as follows: Instead of all deep-sea fishing, only that within 10 kilometers (6.2 miles) and the fishing for sponges and corals was included; to felling and pruning trees the work of transporting them to the rivers or the wagon roads were added; the absence of indemnity during the first five days of temporary disability was reestablished in accordance with the law of 1898. The right to establish obligatory employers' insurance associations was limited to the Sicilian sulphur mines.

The bill passed the Chamber April 22, 1902, with a great number of further minor changes. The most important were as follows: The addition of transportation of merchandise by land and construction and repair of ships; a minimum annual wage of 500 lire (\$96.50) was established as a basis for computing indemnity for partial permanent

disability; the brothers and sisters of the deceased, under 18 years of age, were given a right to compensation in absence of nearer relatives; the provisions of the government bill concerning the payment of compensation during the first five days of disability were restored, though struck out by the commission; in cases of partial permanent disability with loss of 50 per cent of earning capacity or more, the payment of a life annuity instead of a lump sum through the national invalidity insurance institution was made obligatory; the general right of the Government to establish compulsory employers' mutual insurance associations was reasserted; and several other changes were introduced, mostly in favor of the interests of the insured employees.

The bill was introduced in the Senate April 30, 1902. It was referred to the central office of the senate and reported back February 7, 1903, again with numerous changes, in which were embraced the following points: The law was further extended to the tearing down of structures, and all land transportation. The form of annuities lasting until the age of 18, but twice as great before the age of 12 as from 12 to 18, was substituted for lump-sum payments in paying compensation to minor children or brothers and sisters; and for the relatives in an ascending line annuities were also made compulsory instead of lump-sum payments. In general the pension idea gained in popularity, and payment of lump sums was made conditional upon the demand of the victim. A special scale of compensation, lower than the general scale, was prepared for seamen. In addition, the central office of the Senate suggested the passage of a resolution inviting the Government to present by the end of 1904 a bill for the establishment of a simplified, more rapid, and less costly procedure for settlement of disagreements, and, secondly, to elaborate a bill for the obligatory insurance against trade diseases.

A few minor changes were introduced on the floor of the Senate, some of these of material advantage or extending the application of the law; thus, while the text previously included employees in agriculture handling machines moved by mechanical power, this was changed so as to include all machines moved by any power other than by the employees tending the machine. The right to establish obligatory employers' mutual insurance associations was further enlarged, so that no evidence of necessity was required; the evidence of feasibility was sufficient.

The bill passed the Senate April 3, 1903, was reintroduced in the Chamber of Deputies May 12, 1903, referred to the commission which reported June 25, 1903, in favor of agreeing to the form of the bill as it passed the Senate, and without further changes the bill was so passed June 28, and was approved and became a law June 29, 1903. Thus two years were consumed in the process of amending the law of

1898. But the resulting law was considerably broader than the original act and a great many crudities were eliminated.

In accordance with a provision in the act of June 29, 1903, the text of the older law was codified with that of the act of June 29, 1903, and the new consolidated text of the law was promulgated by royal decree of January 31, 1904.

#### LEGISLATION IN FORCE.

The codified text of the law, as published by royal decree of January 31, 1904,<sup>(a)</sup> is the basis of the accident insurance system in force at present. This is supplemented by the regulations published by the royal decree of March 13, 1904;<sup>(b)</sup> the royal decree of May 15, 1904,<sup>(c)</sup> referring to slight details of the special guarantee fund as established by article 37 of the law of January 31, 1904; the law of July 11, 1904;<sup>(d)</sup> the royal decree of July 11, 1904; and the royal decree of September 29, 1904,<sup>(e)</sup> concerning the special provisions for the Sicilian sulphur mines. The royal decree of August 27, 1905,<sup>(f)</sup> refers to the insurance of seamen. The royal decree of December 24, 1903,<sup>(g)</sup> concerning the modification of existing accident insurance contracts, in view of the changes in the law, had temporary importance only. A royal decree of December 13, 1903,<sup>(h)</sup> establishes a table of coefficients for computing the respective shares of claimants of indemnity for fatal accidents. By another royal decree of the same date<sup>(i)</sup> the new regulations governing the National Accident Insurance Institution were approved and a new scale of insurance premiums established.

#### INDUSTRIES INCLUDED.

The law now covers the following branches of industry:

First. The more hazardous employments, viz, work in mines, quarries, and peat bogs, also the working of the raw material and the loading and transportation to the shipping point and unloading of the product; the construction, repair, and tearing down of buildings,

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<sup>a</sup> Italian text: *Annali del Credito e della Previdenza*, 1904, No. 55, p. 1. German and Italian text: Zacher, *Vla*, pp. 26, 27. French text: *Annuaire de la Legislation du Travail*, 1904, p. 375.

<sup>b</sup> Italian text: *Annali del Credito e della Previdenza*, 1904, No. 55, p. 30; Zacher *Vla*, p. 46. German text: Zacher, *Vla*, p. 47. French text: *Annuaire de la Legislation du Travail*, 1904, p. 400.

<sup>c</sup> *Annali del Credito e della Previdenza*, 1904, p. 132.

<sup>d</sup> *Annali del Credito e della Previdenza*, 1904, No. 55, p. 129.

<sup>e</sup> *Bolletino di Notizie sul Credito e sulla Previdenza*, 1904, p. 1643.

<sup>f</sup> *Annuaire de la Legislation du Travail*, 1905, p. 463.

<sup>g</sup> *Annali del Credito e della Previdenza*, 1904, No. 55, p. 125. *Annuaire de la Legislation du Travail*, 1904, p. 464.

<sup>h</sup> *Annali del Credito e della Previdenza*, 1904, No. 55, p. 89. *Annuaire de la Legislation du Travail*, 1903, p. 314.

<sup>i</sup> *Annuaire de la Legislation du Travail*, 1903, p. 353.



whether in the city or in the country, also including the loading, transportation, and unloading of the construction materials; gas works, electric power houses, and the transmission of gas and electricity; telephones; the placing, repairing, and taking down of electric conductors and lightning rods; arsenals, ship yards (except such as do not build any craft with a displacement of over 10 tons), and all industrial establishments in which explosives are manufactured or used. In this group all establishments are included without regard to the number of employees.

Second. All establishments in the following industries which employ more than five workers: The construction and operation of steam railways, or other railways driven by mechanical power; transportation on land, rivers, canals, and inland lakes, or deep-sea navigation; deep-sea fishing within 10 kilometers (6.2 miles) from the shore, and all sponge and coral fishing; loading and unloading; irrigation works, drainage and reclamation, and leveling and grading works; felling and chopping trees in forests; transportation of logs and wood to the wagon road or to the river front and depositing the logs in the rivers; construction and repair of harbors, canals, dams, bridges, tunnels, and roads; and the construction, repair, and demolition of ships.

Third. All other industries or establishments which utilize steam engines or machinery not driven by the person who tends it, and which employ more than five persons. All employees of these establishments, even if not engaged in handling the machinery, are included.

Finally, the work of tending machinery driven by mechanical power and utilized for industrial or agricultural purposes; service with cannon and other firearms, used to break up hailstorms; and the commissary department of the navy. Establishments utilizing machinery temporarily only, or connected with educational institutions and used for the purpose of instruction, or with hospitals, asylums, or other charitable institutions, are exempted, except that those persons who tend the machinery must be insured.

This very detailed enumeration of industries included under the law may be thus briefly summarized: All mining work, all building, practically all construction work, transportation, and all manufacturing industry with the exception of the hand trades. The large branches of economic activity which are not included are commerce, agriculture (except lumbering and tending agricultural machinery), and domestic service.

Cooperative establishments are subject to the provisions of the law on equal terms with other establishments, and the members of the cooperative group, if working in the establishments, must be insured like other employees.

The law also extends over the establishments, undertakings, or construction work of the state, provincial, or communal governments, or operated by private persons or corporations under a franchise (concession) from the Government.

#### PERSONS INSURED.

The law applies to all workmen employed in the establishments and branches of industry enumerated above, and working outside of their own homes, whether at time or piece wages; also persons employed in a supervising capacity receiving not more than 7 liras (\$1.35) per day and who are paid at least once a month; to apprentices employed in the work, whether with or without pay. Workmen who are hired and paid by other workmen in the establishment are considered for this purpose as direct employees of the establishment. The Italian law thus differs materially from the laws of some other European countries, in that it does not include the office employees of industrial establishments or enterprises.

In deep-sea navigation all members of the crew who receive not more than 2,100 lire (\$405.30) per annum are included.

#### CHARACTER OF DISABILITY COMPENSATED.

The law grants compensation to the workman for all the injuries sustained because of the employment, and causing disability lasting over five days. There is no reference to the specific cause of the accident, the whole question of negligence, even if gross, having been entirely eliminated from the Italian law. However, if the accident is due to the willful misconduct of the injured, as established by means of a penal decision of the court, the beneficiary may be sued for the amount of compensation.

#### BENEFITS.

The compensation granted by the law consists of the following: First, medical aid; in case of temporary disability, one-half the daily wages; in case of total permanent disability, an amount equal to six times the annual earnings, and a proportionate sum in partial permanent disability; and in case of death, five times the annual earnings.

For seamen in deep-sea navigation the scale is considerably lower, namely, four years' earnings for total disability and three years' earnings for fatal accidents.

The essential feature of this scale of compensation is that it is based upon lump-sum payments, and though in some cases conversion into pensions or annuities is compulsory, as is explained presently, yet these amounts of annuities depend upon the lump sum.



The Italian law does not attempt to cover the entire cost of medical and surgical treatment, as some other European compensations do.

**MEDICAL ATTENDANCE.**—Medical help to the injured is limited to the cost of first aid to the injured and the cost of transportation to the home, or to any other place where the injured person must be taken, and that of the medical certificate. This expense must be met by the employer directly, no matter how the other compensation is paid.

Employers who have organized a regular medical and pharmaceutical service for first aid to the injured, or who have contracted for such help with the Italian Red Cross Society, may be freed by the order of the prefect from meeting the cost of medical help in any other way, provided the arrangements are satisfactory to the prefect.

Only seamen receive full medical help. As they are granted free medical treatment during illness or injury by an older provision of the Commercial Code, the law specifically states that these rights are not destroyed by the new act.

**TEMPORARY DISABILITY.**—When the injury caused by the accident leads to total temporary disability, the injured person receives a daily allowance equal to one-half his wage at the time of the accident for all the time of the disability. Unlike most other accident insurance or compensation acts, the Italian law recognizes besides total temporary disability also the case of partial temporary disability. The compensation for such disability (leading to a diminution but not entire loss of earning power for a limited time) is a daily allowance equal to one-half the loss in wages, paid for all the time of disability. All allowances for temporary disability are paid for all days including holidays, but the day of accident is not counted.

**PERMANENT DISABILITY.**—The compensation for total permanent disability is equal to six times the annual earnings, but not less than 3,000 lire (\$579). If the disability though permanent is only partial, leading to decrease but not total loss of earning capacity, the compensation is equal to six times the loss in annual earnings, but for the purposes of this computation the annual earnings must be taken at not less than 500 lire (\$96.50). In either case, whether the permanent disability be total or partial, the indemnity is exclusive of the allowances for temporary disability for the first three months. If such allowances have been paid for a longer period, the excess of payments over three months is deducted from the compensation finally computed. If the compensation due to partial permanent disability is smaller than the allowances paid or due to be paid for temporary disability, then the injured employee has the right to this larger amount instead of the compensation for partial permanent disability.

To determine the degree of partial disability from the injury sustained, the following scale is established by the regulations:

	Per cent.
Loss of the entire right arm or up to upper third.....	80
Loss of the entire right forearm or of the left arm up to the upper third.....	75
Loss of the entire left forearm or of all fingers of the right hand.....	70
Loss of all fingers of the left hand.....	65
Loss of the right thumb.....	30
Loss of the left thumb.....	25
Loss of the last joint of the right thumb.....	15
Loss of the last joint of the left thumb.....	12
Loss of the middle or ring finger.....	8
Loss of a finger joint.....	5
Loss of a thigh.....	70
Loss of leg up to upper third.....	60
Loss of lower third of leg or foot.....	50
Loss of big toe, and corresponding part of foot.....	15
Loss of big toe alone.....	7
Loss of any other toe does not give right to any compensation.	
Loss of more than one toe, per toe.....	5
Complete deafness of one ear.....	10
Total loss of sight in one eye.....	35

Total and incurable loss of function is rated as equivalent to loss of part or organ. In case of loss of several parts or organs or of any injury not mentioned, the degree of disability must be decided upon the merits of each case.

When the permanent disability is total or over 50 per cent, then the computed compensation must be converted into a life annuity, for which purpose the National Old-Age and Invalidity Insurance Institution is utilized. Such conversion is not made immediately, however, because of the possibility that the original estimate of the degree or duration of disability may not have been accurate. The compensation granted is, therefore, turned over in trust for two years to the old-age insurance institution, and monthly allowances are paid to the injured person equal to the annuity which he could purchase with that amount of compensation. During these two years adjustments are made, as will be explained later in discussing the subject of "revision." After two years the remaining sum (discounting the payments and making the necessary adjustments as a result of the revision, if any) is converted into an annuity, though in exceptional cases the magistrate may, upon petition of the injured employee made within fourteen days after the expiration of the two years' limit, permit the payment of the residual amount in a lump sum instead of an annuity.

If the injured person dies within the two years as a result of the accident, the remaining compensation (possibly adjusted as a result of a revision) is treated in the same way as compensation granted in

case of death; if the death is not due to the original accident, the remaining amount of the compensation is paid to the legal heirs according to the civil law.

These complex provisions are evidently necessary because of the lump-sum basis for measuring compensation. The actual amount of the annuity is dependent upon the age, the value of the annuity purchasable with a definite amount increasing with age. Another peculiarity due to the system of lump-sum payments is that in the case of death of the beneficiary within two years from the day of the accident, if the death was in no way connected with the original accident, the legal heirs inherit the bulk of the compensation, for the annuity is not purchasable until the end of the two years.

**COMPENSATION FOR DEATH.**—Compensation for death is equal to five times the annual earnings of the victim, except that in deep-sea navigation the amount is smaller, equal to three times the annual earnings only. This definite sum must be distributed among the dependent members of the family as provided for in the following complicated rules:

The dependent relatives are the consort, children or other descendants under 18 years or disabled; parents or other ascendants; and dependent brothers and sisters under 18 years or disabled.

The surviving consort (of either sex) receives—

Two-fifths of the compensation, if there are children or other dependent descendants under 18 years of age or disabled because of some physical or mental defect; these descendants receiving the other three-fifths.

One-half of the compensation, if there are no children or other descendants of the classes described but dependent relatives in an ascending line survive; these relatives receiving the other half.

Three-fifths of the compensation, if there are no dependent relatives either in an ascending or descending line, but dependent brothers or sisters under 18 years of age or disabled because of some physical or mental defect; these brothers or sisters receiving the remaining two-fifths.

The entire amount of compensation if no dependent relatives of the classes described survive.

If the surviving consort had been divorced from the deceased through some fault of the consort, he or she is not entitled to any compensation at all.

The surviving children (legal or natural) under 18 years of age and other dependent relatives in a descending line receive three-fifths of the compensation if the other parent survives and the entire amount if no parent survives.

The compensation due to all the children together is to be distributed among them in such a way that each child receives an amount sufficient to purchase a limited annuity of equal value for those under 12 years of age; after reaching the age of 12 the annuity is reduced one-half until the age of 18 is reached, when the payments cease.

If among the descendant heirs there are any who are incapacitated from earning a livelihood because of any physical or mental defect, the share of the indemnity to be given to him is determined by the pretor (justice of the peace) and against his decision there is no appeal. The remainder is distributed among the other children according to the rules explained above.

The relatives in an ascending line are entitled to compensation only when no dependent children survive. They receive one-half of the compensation when the consort survives, or the entire amount of compensation when neither children nor consort survive. The amount due to all relatives in an ascending line is distributed among them in such a way as to provide them with equal life annuities.

Dependent brothers or sisters under 18 years of age, or incapacitated from earning a living because of some physical or mental defect, are entitled to compensation only when no dependent children and no relatives in the ascending line survive. They receive two-fifths of the compensation if the deceased is survived by the consort, and the entire amount of compensation if they are the only surviving relatives recognized under the law. The distribution of the total amount of compensation among these brothers and sisters is to be made according to the same rules which govern the distribution of the compensation among the descendants.

The distribution of the indemnities prescribed by these complicated rules must be effected according to special computation tables prepared by the minister.<sup>(a)</sup>

These tables of coefficients were published by the royal decree of December 13, 1903, and are given below. They are based upon the probability of life, and in the case of the first table for minor dependents, also upon the length of time the annuity has to run.

The method of using these tables of coefficients is simple. The coefficients of individual dependents belonging to the same group (i. e., either descendants, or brothers and sisters, or ascendants) are added together and the total amount due to that group is divided by this sum of coefficients; the quotient is then multiplied by the coefficient of each dependent to ascertain his or her share.

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<sup>a</sup> In the analysis of the law, whenever the minister is mentioned the minister of agriculture, industry, and commerce is meant unless otherwise stated.

TABLE OF COEFFICIENTS FOR USE IN COMPUTING THE SHARES OF THE SEVERAL  
DEPENDENT RELATIVES ENTITLED TO COMPENSATION UNDER THE LAW.

MINOR DEPENDENTS (DESCENDANTS AND BROTHERS AND SISTERS).

Age.	Coeffi- cient.	Age.	Coeffi- cient.	Age.	Coeffi- cient.	Age.	Coeffi- cient.
Under 1 month.	79	1 to 1½ years....	91	7 to 7½ years....	68	13 to 13½ years..	23
1 to 2 months...	80	1½ to 2 years....	92	7½ to 8 years....	65	13½ to 14 years..	21
2 to 3 months...	81	2 to 2½ years....	93	8 to 8½ years....	61	14 to 14½ years..	19
3 to 4 months...	82	2½ to 3 years....	92	8½ to 9 years....	57	14½ to 15 years..	17
4 to 5 months...	83	3 to 3½ years....	91	9 to 9½ years....	53	15 to 15½ years..	14
5 to 6 months...	84	3½ to 4 years....	89	9½ to 10 years...	49	15½ to 16 years..	12
6 to 7 months...	85	4 to 4½ years....	86	10 to 10½ years..	45	16 to 16½ years..	10
7 to 8 months...	86	4½ to 5 years....	84	10½ to 11 years..	41	16½ to 17 years..	8
8 to 9 months...	87	5 to 5½ years....	81	11 to 11½ years..	36	17 to 17½ years..	5
9 to 10 months..	88	5½ to 6 years....	78	11½ to 12 years..	32	17½ to 18 years..	3
10 to 11 months.	89	6 to 6½ years....	75	12 to 12½ years..	27		
11 to 12 months.	90	6½ to 7 years....	71	12½ to 13 years..	25		

DEPENDENTS IN ASCENDING LINE.

Age.	Coeffi- cient.	Age.	Coeffi- cient.	Age.	Coeffi- cient.	Age.	Coeffi- cient.
22 to 22½ years..	203	41½ to 42 years..	162	61 to 61½ years..	98	80½ to 81 years..	43
22½ to 23 years..	202	42 to 42½ years..	161	61½ to 62 years..	96	81 to 81½ years..	42
23 to 23½ years..	201	42½ to 43 years..	159	62 to 62½ years..	94	81½ to 82 years..	41
23½ to 24 years..	200	43 to 43½ years..	158	62½ to 63 years..	92	82 to 82½ years..	40
24 to 24½ years..	200	43½ to 44 years..	156	63 to 63½ years..	90	82½ to 83 years..	38
24½ to 25 years..	199	44 to 44½ years..	155	63½ to 64 years..	88	83 to 83½ years..	37
25 to 25½ years..	198	44½ to 45 years..	154	64 to 64½ years..	87	83½ to 84 years..	36
25½ to 26 years..	197	45 to 45½ years..	153	64½ to 65 years..	85	84 to 84½ years..	35
26 to 26½ years..	196	45½ to 46 years..	151	65 to 65½ years..	84	84½ to 85 years..	34
26½ to 27 years..	195	46 to 46½ years..	150	65½ to 66 years..	82	85 to 85½ years..	33
27 to 27½ years..	195	46½ to 47 years..	148	66 to 66½ years..	80	85½ to 86 years..	32
27½ to 28 years..	194	47 to 47½ years..	147	66½ to 67 years..	78	86 to 86½ years..	31
28 to 28½ years..	193	47½ to 48 years..	145	67 to 67½ years..	77	86½ to 87 years..	30
28½ to 29 years..	192	48 to 48½ years..	144	67½ to 68 years..	75	87 to 87½ years..	30
29 to 29½ years..	191	48½ to 49 years..	142	68 to 68½ years..	74	87½ to 88 years..	29
29½ to 30 years..	190	49 to 49½ years..	140	68½ to 69 years..	73	88 to 88½ years..	28
30 to 30½ years..	189	49½ to 50 years..	138	69 to 69½ years..	72	88½ to 89 years..	27
30½ to 31 years..	188	50 to 50½ years..	137	69½ to 70 years..	70	89 to 89½ years..	27
31 to 31½ years..	187	50½ to 51 years..	135	70 to 70½ years..	69	89½ to 90 years..	26
31½ to 32 years..	186	51 to 51½ years..	134	70½ to 71 years..	67	90 to 90½ years..	26
32 to 32½ years..	185	51½ to 52 years..	132	71 to 71½ years..	66	90½ to 91 years..	25
32½ to 33 years..	184	52 to 52½ years..	130	71½ to 72 years..	64	91 to 91½ years..	25
33 to 33½ years..	183	52½ to 53 years..	128	72 to 72½ years..	63	91½ to 92 years..	24
33½ to 34 years..	182	53 to 53½ years..	126	72½ to 73 years..	61	92 to 92½ years..	24
34 to 34½ years..	181	53½ to 54 years..	124	73 to 73½ years..	60	92½ to 93 years..	23
34½ to 35 years..	179	54 to 54½ years..	123	73½ to 74 years..	58	93 to 93½ years..	23
35 to 35½ years..	178	54½ to 55 years..	121	74 to 74½ years..	57	93½ to 94 years..	22
35½ to 36 years..	177	55 to 55½ years..	120	74½ to 75 years..	55	94 to 94½ years..	22
36 to 36½ years..	176	55½ to 56 years..	118	75 to 75½ years..	54	94½ to 95 years..	21
36½ to 37 years..	175	56 to 56½ years..	116	75½ to 76 years..	53	95 to 95½ years..	21
37 to 37½ years..	174	56½ to 57 years..	114	76 to 76½ years..	52	95½ to 96 years..	20
37½ to 38 years..	173	57 to 57½ years..	112	76½ to 77 years..	51	96 to 96½ years..	19
38 to 38½ years..	172	57½ to 58 years..	110	77 to 77½ years..	50	96½ to 97 years..	18
38½ to 39 years..	170	58 to 58½ years..	109	77½ to 78 years..	49	97 to 97½ years..	18
39 to 39½ years..	169	58½ to 59 years..	107	78 to 78½ years..	49	97½ to 98 years..	17
39½ to 40 years..	168	59 to 59½ years..	105	78½ to 79 years..	48	98 to 98½ years..	16
40 to 40½ years..	167	59½ to 60 years..	103	79 to 79½ years..	47	98½ to 99 years..	14
40½ to 41 years..	165	60 to 60½ years..	102	79½ to 80 years..	46	99 to 99½ years..	12
41 to 41½ years..	164	60½ to 61 years..	100	80 to 80½ years..	45	99½ to 100 years..	10

In the absence of any relatives of the classes described, the compensation due is paid into a special fund for payment of indemnities to employees of insolvent employers and for other purposes, which are described in detail in a subsequent section.

The method of distribution of the compensation as outlined above presents many peculiarities which deserve to be emphasized. The designation of the specific classes of relatives entitled to compensa-

tion and the specific rules for distribution of compensation, when compared with the earlier drafts of the law designating only the legal heirs, shows progress and a transition from the legal point of view of liability (so much for a death) to the point of view of need. But the transition has not been as complete as in some other laws. On one hand the compensation is not as great as the maximum allowed under the German, Austrian, or Russian laws, under which the pensions amount to two-thirds of the annual wages. On the other hand, the Italian law presents many cases of possibly excessive compensation, as, for instance, when one minor child or one minor brother, if left the only dependent relative, would receive an enormous annuity or its equivalent up to 18 years, or when only very aged parents survive the annuity that could be purchased for them in view of their high age might be higher than the wages of the deceased. A childless widow may receive the considerable sum of five times the deceased husband's wages, and remarry very soon after that, while almost all similar laws of other European countries provide for the discontinuance of the pension to the widow at her remarriage. A surviving widower may receive part or the whole of the compensation, even if not dependent upon the earnings of the deceased at all. In other words, there is comparatively little correspondence between amount of compensation and need, instead of which there is a fixed relationship between accident and the amount of compensation.

#### DETERMINATION OF WAGES.

Since all forms of compensation are based upon the annual earnings or daily wages of the injured, the methods of determining these earnings become important. They are strictly defined in the law and regulations. If the annual salary is mentioned in the labor contract, that sum is taken; otherwise the actual annual earnings of the preceding 12 months are taken. If the person injured had been employed less than 12 months, the annual earnings are taken to be equal to 300 times the daily wages. To determine these, the earnings of the employee during all the time of employment up to one year is divided by the number of full days of work rendered, a full day's work being measured by the number of hours of work, usual for the establishment in question. The maximum limit allowed in the computation is 2,000 lire (\$386) per annum; for cases of permanent disability as explained above a minimum limit of 500 lire (\$96.50) is established. If the injured employee is an apprentice, then the lowest wages of a regular workman in the same industry and occupation, or the one nearest to it, must be taken as a basis.

In case of common day laborers, their actual daily wages are taken, but they must not vary more than 10 per cent from the customary wages for a day laborer in the same locality.



The computations are simpler in case of temporary disability. If the injured person receives time wages, the wages of the day of accident are taken; if piece wages are paid, the daily wages are computed by dividing the earnings within the last 15 days by the number of full days of work, but the result must not be less than the customary minimum wage.

In all computations of wages not only all money payments, but also the value of the payment in kind, according to the average local values must be included.

#### BURDEN OF PAYMENT.

The cost of compensation falls entirely upon the employer, the owner, or operator of the establishment or undertaking, though indirectly by means of payment of insurance premiums as explained presently. The shifting of the cost upon the employees by direct or indirect deductions from the wages is punishable by fines up to 4,000 lire (\$772). When any work is done by contract for the state government, Province, commune, or any public institution, the contractor must meet the cost of insurance. If any workers are employed in the establishment or undertaking who are hired and paid by other employees, the burden of insurance falls upon the proprietor of the enterprise. Whenever the requirements concerning insurance have not been complied with, then in addition to various fines established the liability for the amount of compensation due reverts back to the individual employer.

#### CIVIL RESPONSIBILITY.

Compliance with the requirements of the law concerning insurance relieves the employers of all civil responsibility for accident, except when the criminal responsibility for the accident has been placed by a penal sentence of a court upon the employer or manager, or any other person entrusted with supervisory work. In such cases not only the person criminally responsible, but also the employer is civilly liable under the common law for the damages sustained by the injured person.

When a judgment is obtained under this rule against the person civilly liable, only the excess of this judgment over the amount of the insurance is payable to the injured worker or to his heirs. No such judgment must be granted, when in the opinion of the court it would not exceed the amount due under the insurance contract.

The establishment of the civil cases does not relieve the insurer of his obligation to pay the indemnity, but the insurer may sue the person liable for the amount of indemnity paid out. As explained before, the insurer may proceed in the same way against the injured employee, if he has been found criminally responsible for the accident causing



his injury. In all cases, if the criminal proceedings are dropped because of death or pardon, the civil liability proceedings may nevertheless be carried on.

#### INSURANCE.

Broadly speaking the Italian law is based upon a system of compulsion to insure though the method of insurance is not prescribed and there are a great many exceptions to the compulsion. Establishments operated by the state, provincial, or communal governments, or by private persons by franchise from the Government, must insure their employees in the National Accident Insurance Institution unless they are provided with special compensation acts, when they are exempt from all insurance. Other employers may insure their employees with authorized private insurance companies.

The following substitutes for insurance in the national or private insurance companies are permitted: Private establishments funds organized by the employer (or by several employers in the same locality) and authorized by the Government, having a membership of more than 500, or employers' mutual accident insurance associations, organized by employers and authorized by the minister, and insuring at least 4,000 employees.

In addition to these employers' voluntary mutual associations, compulsory associations may be established by the Government if it finds after consultation with the chambers of commerce, provincial councils, and the state council that such an association is necessary or advantageous to secure better compliance with the provisions of the law. An employers' compulsory mutual accident insurance association must include at least 15,000 employees.

Finally, the railways to which the law applies are exempt from the obligation of insurance, provided they adjust the pension and benefit fund to the requirements of this law without interfering with the acquired rights of the members of the funds. These adjustments must be approved by the minister.

The detailed provisions of the law concerning the regulations of insurance institutions are given subsequently in connection with the discussion of the various classes of these institutions.

#### SPECIAL GUARANTEE FUND.

The special guarantee fund completes the complicated arrangements made for securing the payment of indemnity to the injured person. It is mainly intended to provide a source for paying compensation to injured workmen of employers who have failed to comply with the requirements for insurance and who have become insolvent, so that civil procedure against them is useless. It also has other subsidiary functions, namely, (1) to subsidize benefit funds which undertake to assist injured workmen during the first five days of disability, (2)

to grant prizes to inventors of new safety devices, and (3) to subsidize associations or institutions granting medical help to the injured employees. The income of the fund is derived (1) from the compensation due for fatal accidents to employees having no dependent relatives entitled to compensation under the law and (2) from the fines and penalties imposed for noncompliance with the law or regulations.

The bank of deposits and loans must notify the ministry at the end of each year as to the amount credited to this fund, and only when the fund exceeds 20,000 lire (\$3,860) may appropriations be made for subsidiary purposes.

The subsidies to societies granting relief during the first five days of disability may be made with intervals of at least five years' duration. Such distribution is made among societies applying for it and presenting detailed evidence of their activities; the other functions depend upon the judgment of the minister.

#### STATE SUPERVISION OF INSURANCE.

Explicit regulations are provided for enforcing compliance with the insurance requirement in all its details. The owners or managers of new establishments must insure their employees before the beginning of operations or as soon as possible thereafter, and in no case later than five days after the beginning of operations. If any accidents happen before insurance had been effected the employer is personally responsible for the compensation according to the law.

Within ten days after the beginning of operations the prefect of the Province must be notified as to the nature of the establishment and number of employees and apprentices employed. A similar report must be made of each insurance contract, giving the date, length of contract, and the number of workmen and apprentices insured. The discontinuance of work in the establishment must also be reported to the prefect. The prefect must compile the data in regard to all the insured establishments.

In each establishment or undertaking an easily legible notice must be posted, stating the name of the insurance institution with which such insurance has been contracted for and the date of termination of the insurance. The original contract or a copy thereof must be in the possession of the employer at the establishment, and must be shown, with necessary explanations, to the injured workman or his legal representative, who shall be allowed to copy it. For noncompliance with this regulation the employer is subject to a fine of at least 50 lire (\$9.65).

For noncompliance with the insurance requirements, such as failure to insure or to renew insurance, or to increase it with the increase of

the number of employees, the employer is subject to a fine of 5 lire (97 cents) per employee and per day, up to 2,000 lire (\$386). In addition, the employer is not only liable in case of an accident for the legal amount of compensation but he must pay an equal amount into the special guarantee fund. The same penal provisions are made for those who cause the insurance to lapse through a culpable failure to pay the premiums due.

A complete register of all employees must be kept in every establishment subject to this law. This register must contain information as to the name, conjugal condition, date and place of birth, the date of entering service, and the usual occupation and the amount of daily wages. In addition a general wage book is required to be kept containing the accounts of each individual worker. It must be kept up to date, showing the earnings of each employee and payments made to him. These books must be bound, with pages consecutively numbered, and they must be examined by the insurance office before they may be used. The entries must be made in ink, and without erasures. Employees whose names are not entered in the wage book are not considered insured, and for their omission the employer is subject to the penalties provided. But until the fact of such non-compliance has been established by a court the insurance company is not relieved from the obligation of paying compensation provisionally, with the right of suing to recover these payments from the delinquent employer.

The employee who receives piece wages, and who employs and pays his helpers, must also keep a register and a pay book. The register and wage books must always be open for inspection by government inspectors and agents of the insurance companies, who may copy extracts from them.

Railroad companies and other public institutions, having regular pay rolls or temporary undertakings of very short duration, may be exempt from the obligation of keeping registers and wage books.

Individual wage books of uniform pattern for all branches of industry are made obligatory and must be supplied by the employer to all the workmen. The same book may be used by the employee even in different establishments, and it must contain all information necessary for the administration of the accident insurance law.

If the inspector finds that an establishment employs a greater number of workmen than is insured against accidents, he must prosecute the owner or manager of the establishment before the local judiciary authorities. The employer may be fined for giving wrong or misleading information, irrespective of the right of the ministry to contract for the additional insurance at the expense of the delinquent employer.

## PROCEDURE.

**REPORT AND INVESTIGATION OF ACCIDENTS.**—A satisfactory administration of an accident insurance or compensation act is impossible without a careful system of reporting accidents. The law requires that each accident resulting in disability lasting over five days or in death must be reported to the local police authorities by the manager of the establishment or undertaking, under penalty of a fine of from 50 to 100 lire (\$9.65 to \$19.30). The reports must be made to the prefect of the Province in which the establishment is located; they are required from all undertakings and establishments, whether or not covered by the accident insurance law, and they must be made within three days from the accident or the day on which information concerning the accident reached the manager of the establishment. To make such reports possible all accidents, no matter how slight, must be reported by the injured employee to the person in charge of the establishment. In case of failure to do so, the injured person may lose the right to compensation for the days elapsing between the date of the accident and the report to the manager. Only accidents causing disability of over five days' duration must be reported by the manager, so that evidently an estimate must be made as to the probable length of disability, which may not prove correct. If an accident had not been reported because the disability was not expected to last five days but subsequently did extend into the sixth day, it must be reported within three days thereafter.

Similar reports of accidents must be made to the respective insurance institutions by managers of establishments subject to the law.

Reports of accidents must include the name of employer, place and time of the accident, and its cause and description; name, conjugal condition, age, address, and occupation of the injured employee; his condition, probable duration of the disability (to be certified by the physician), and names and addresses of witnesses. The police and other authorities must keep lists of accidents reported. Failure to make reports of accidents must be brought to the attention of the court by the police.

In all fatal cases, or such cases as are likely to lead to disability for over thirty days, or to death, the police must forward a copy of the accident report, together with the medical certificate to the local magistrate (pretor), who is required to make an investigation within four days after the receipt of the report, ascertaining the following facts: The cause, the conditions of the accident, the nature and condition of the injury, the daily wages and the annual earnings of the injured; the relatives of the killed employee and their place of residence, and the fact and method of insurance of the victim.

The time and place of such investigation must be communicated in advance by the magistrate (pretor) to the employer or his representative and to the particular insurance institution concerned. The investigation must be conducted in the presence of representatives of all parties concerned, and a physician and other experts invited by the magistrate. In the absence of the injured person or his representatives the magistrate may select two workmen of the same establishment to represent his interest. The purpose of this investigation is to establish the actual facts as to the cause of the accident. Only in establishments where the work is done in secrecy for considerations of state may such investigation be substituted by a written report of the management. The investigation must be concluded within a few days and the facts stated in an official report signed by the magistrate. In fatal cases copies of this report must be forwarded to the ministry.

The report must remain for five days in the office of the magistrate, after which it is transferred to the proper judicial authority, which may take any legal steps it finds necessary; the report is also transmitted to the civil tribunal of the district.

The magistrates, witnesses, physician, and other experts called in to the investigation receive compensation for their work.

**DETERMINATION OF DISABILITY.**—The insurance institution has the right to subject the injured person to a medical examination in the presence of the attending physician, and the injured employee has no right to decline such examination whenever the insurance institution demands it, provided the insurer meets the cost; nor can the injured employee decline to go to a hospital or a clinic for a determination of the consequences of the injury. When any dispute arises as to the nature of the results of the accident, the decision may be intrusted to a medical arbitration board of three members, of whom two are nominated by the respective parties and the third by these parties together or by a president of a court. The president of the court determines the compensation of the physicians, at any figure from 5 to 200 lire (97 cents to \$38.60), and the distribution of this cost between the insurance institution and the injured employee.

Sanitary officers and communal physicians may not decline their services necessary to determine the results of accidents. A scale of payment for their services is established in the regulations. Hospitals must permit medical representatives of the insurance companies to examine the patient.

#### PAYMENT OF COMPENSATION.

**TEMPORARY DISABILITY.**—The insurance company must make the first compensation payment for temporary disability as soon as possible after receiving notice of an accident and the physician's

certificate, and in any case not later than twenty days after the accident. In case of dispute as to the amount of compensation, the insurance company pays the amount which it thinks due and the disputed amount only is withheld. The subsequent payments must be made within intervals of seven days, and after the expiration of the first three months advance payments must be made until nine-tenths of the amount is paid out which the insurance institution thinks is due to the injured person. If the insurance company does not hold itself responsible it may decline to pay, but must state the reasons in writing.

The insurance company may delegate the employer to pay the compensation for temporary disability, reimbursing him subsequently, but the employer must demand evidence of disability before making such payments.

If the establishment possesses an infirmary, organized by the employer, in which the workmen are regularly treated, and the injured employee is being treated there with his consent, one-third of the daily compensation due is paid by the insurance company into the treasury of the infirmary.

**PERMANENT DISABILITY.**—Within eight days after the receipt of the final medical certificate the insurance company (or association, etc.) must determine the amount of the compensation for permanent disability; the insurance company must inform the injured person of this amount and its estimate of the nature and degree of disability, the reasons for arriving at this conclusion, the wage used in the computation, the decrease in the wage which may have taken place as a result of the disability, and the amount of advance payments made. If the workman accepts the opinion of the insurance company the amount must be paid within eight days after notice of such acceptance is given. In case of delay the usual interest must be added to the amount of compensation.

If the workman disagrees with the insurance company, he states the reasons in writing, and if his demands are not complied with within fifteen days he may carry the case to the courts, as provided for in the law.

The regulations governing the conditions of payment of compensation for total permanent disability, or for partial permanent disability which reduces the earning capacity by at least 50 per cent, are quite complicated, due to the intent of the law that such compensation be transformed into annuities. At the same time the conditions of payment are further complicated by the necessity of postponing such conversion for two years, lest some material change should take place in the condition of the injured employee which would necessitate a change in the amount of compensation.

The insurance company pays the amount due, after deductions for advance payments made, to the National Old-Age and Invalidity



Insurance Institution, and it is then free from any further liability, unless there should be a request for revision within two years. If the injured person should die before the indemnity was converted into an annuity, and if it should be established that the death was a consequence of the accident, then the legal dependents according to the law present to the old-age insurance institution evidence as to the death of the injured person, the opinion of the medical examiner as to the cause of death and other evidence of their right to receive the compensation. Then the amount due, after deductions for the payments made and with interest added, is distributed among the heirs according to the law. If the death is not due to the accident, the amount is paid to the legal heirs according to the Civil Code.

If death does not occur the conversion is made after the expiration of the two years' period, but the monthly allowances are continued for two months more, and their value discounted from the amount used to purchase the annuity.

To obtain the remaining amount of compensation as a lump sum the injured workman must petition the local magistrate (pretor) in writing, stating the reasons for his request. In the decision of the pretor the reasons for granting or declining the request must be stated in writing.

**FATAL ACCIDENTS.**—In case of death the insurance company must take the necessary steps within twenty days to establish the amount of compensation due. Those who claim compensation must hand in claims with the necessary evidence, and the insurer must within eight days inform them of the amount of computed compensation, stating the wage rate used for compensation and the advance payments deducted. If a dispute arises the insurance company must pay temporary allowances up to nine-tenths of the amount which the insurance company admits as due, at semimonthly intervals, to all the legal claimants; the sum of this allowance per day must not exceed one-half the daily wage of the deceased. But if the dispute concerns merely the right of compensation no such preliminary payments need be made. If the insurance company receives no information as to the existence of legal heirs it must so report to the ministry, stating also the amount of compensation granted, the wage rate used in computing it, and the total amount paid out and the amount to be deducted. The ministry may verify the accounts and order the insurance company to transfer the amount due to the guarantee fund as soon as the year has elapsed.

#### REVISION OF BENEFITS.

Both the victim of the accident and the insurance company may ask for a revision of the compensation during the two years following the accident, if the first decision was unfair or if changes had taken place in the physical condition of the injured workman. In case



of a fatal accident, a request for revision must be made within two months from the day of death. As was explained above, it was for the purpose of leaving an opening for such revision that the compensation in cases of total permanent disability or partial permanent disability of 50 per cent or over was to be held in trust for two years by the old-age insurance institution.

In making application for revision of compensation the insured person must present a medical certificate, stating either that the earlier judgment was incorrect or that the condition had since become aggravated. If the dependents under the law make the request for such revision the physician must certify that the death was due to the accident. Within one month from the date of the application the insurance company must either grant or decline to grant a new rate of compensation, stating the reasons for declination in writing. In case of declination the claimant may bring the claim into court. The insurance company must apply to the court for revision of the compensation granted.

#### SETTLEMENT OF DISPUTES.

Disputes arising out of the compensation for temporary disability are to be adjudicated by the local trade (arbitration) courts, whose decisions involving amounts up to 200 lire (\$38.60) are final. In the absence of such arbitration courts the case is brought before the local magistrate (pretor). Cases involving amounts of more than 200 lire (\$38.60) must be carried to the ordinary courts, but in such cases counsel is not required and the cases are exempt from stamp dues. The court expenses are very low: For amounts up to 50 lire (\$9.65), 50 centesimi (9.7 cents); for 50 to 100 lire (\$9.65 to \$19.30), 1 lira (19.3 cents); and 2 lire (38.6 cents) for each additional 100 lire.

#### SPECIAL PROVISIONS FOR SEAMEN.

Numerous special provisions for seamen are contained in both the law and the regulations. Some of these are necessary because the peculiar character of this occupation demands deviations from the general procedure. The necessity for other exceptions is not so obvious. Some exceptions have already been noted. Thus no distinction is made between wage-workers and salaried employees, and all members of the crew receiving 2,100 lire (\$405.30) per annum or less are insured.

The scale of compensation is considerably lower in case of permanent disability (four times the annual wages instead of six) and death (three times the annual wages instead of five). As to temporary disability, previous legislation has granted seamen the right to their full wages, besides the cost of medical and surgical treatment, for four

months in case of illness or injury. This right is reaffirmed by the new law, and the right to the temporary disability compensation under the law begins only after the expiration of the four months.

For the purposes of this law the person or corporation chartering the vessel is considered the responsible employer. When a vessel is lost, or for lack of information is considered lost, and no certificate of death is therefore possible, the legal claimants may enter their claims six months after the day of shipwreck or of the date of the information last received. The term of one year within which claims may be made begins after the expiration of these six months.

In such cases the payments must be made under bonds, which are to hold good for three years from the expiration of the period of six months, and during these three years the compensation is subject to revision if any information is obtained from the person supposedly lost.

Wages of seamen are computed by dividing the remuneration stipulated for the whole voyage plus the cost of subsistence, as per pay roll, by the number of days the voyage lasts. The annual earnings are computed as 300 times the daily wage. The cost of subsistence must be entered in the pay roll for each seaman, according to local custom at the port where he shipped.

The report of the accident must be made by the captain and signed by two witnesses. It must be transmitted to the local port authorities, and if the accident has happened during the voyage, to the authorities of the first Italian port reached. If there is a physician on the ship he must certify to the report; otherwise a physician's examination and certificate must be obtained at the first port of landing.

The three days' limit for making an accident report runs from the day of the arrival of a ship in an Italian port or in a foreign port having an Italian consul. Investigations of fatal accidents and of those leading to disability for over thirty days must be made by the port authorities or by the Italian consul.

#### PREVENTION OF ACCIDENTS.

Regulations for the prevention of accidents are included in the accident insurance law. The purpose of the combination of these two fairly distinct measures in one act seems to have been to counteract the common objection against obligatory accident insurance—that it tends to make both employers and employees less careful and accidents more frequent.

The law authorizes the minister, after consultation with employers and government expert councils, to publish regulations concerning the prevention of accidents and for the protection of the workmen's life and limb. Compliance with such regulations is demanded by the

law, and noncompliance is punishable by fines. These regulations may be issued for separate branches of industry, and also for certain localities. The minister must enforce such compliance with the regulations. For the preparation of regulations one or more of the following bodies must be consulted: The council of industry and commerce, the mining council, the superior council for public works, the superior committee for railroads, the council for forestry, the council for the merchant marine, and in all cases the superior council of labor.

In addition, the employers' compulsory mutual accident insurance associations are permitted to include in their constitutions provisions for prevention of accidents.

**INSPECTION.**—For the purpose of enforcing compliance with the requirements concerning insurance and prevention of accidents the ministry may avail itself of the services of the factory inspectors, mining inspectors, and the inspectors and engineers of the ministries of public works and of the marine, as well as of the technical employees of the societies for prevention of accidents and the employers' mutual accident insurance associations and the inspectors of the National Accident Insurance Institution. Special officers may be detailed for inspection in connection with the work.

Persons intrusted with inspection of industrial establishments are prohibited from having any direct or indirect interest in any industrial undertaking, or from being employed by such private establishments in the capacity of engineers, chemists, or physicians.

All establishments and undertakings must be regularly inspected at least once in two years, and special inspections may be ordered by the minister or by the prefect at any time. The inspectors must ascertain whether the preventive regulations and the insurance requirements have been complied with. They have the right to visit the establishments, to question the employers, the supervising employees, and workmen, and to inspect the general and individual wage books, the insurance contract, and all necessary documents. They must make reports to the ministry, making the necessary observations and recommendations, and certifying to any infringement of the law and regulations. A copy of the report must also be sent to the local judiciary authority and to the prefect. The report must be signed by the employer, or by his representative and the inspector. The employer may state his explanations.

Compulsory mutual accident insurance associations must organize an independent inspection service over the establishments subject to its jurisdiction. Its inspectors may apply to the police for assistance in case they are hindered in their work, and the employers must not place any obstacles in the way of their work, under penalty of a fine of from 20 to 300 lire (\$3.86 to \$57.90).

## GENERAL PROVISIONS.

All agreements waiving wholly or partly the benefits conferred by this act are null and void. Indemnities or annuities paid under this act are not subject to cession or seizure.

All claims under this act must be made within one year from the date of the accident.

All contracts and legal documents executed in compliance with the requirements of this law are free from stamp dues, insurance taxes, or similar taxation.

## APPLICATION OF THE LAW.

Voluntary insurance of workmen against accidents has been practiced in Italy by the National Accident Insurance Institution since 1883. With the establishment of the compulsory system of insurance the functions of the national insurance institution were greatly enlarged. New tariffs were prepared, to provide for insurance in compliance with the requirements of the law, though the old tariffs remained in force for voluntary accident insurance. But private insurance companies rapidly went into the field in competition. Four private accident insurance companies qualified toward the end of 1898, and one in 1899.

The other forms of insurance provided by the law did not grow in popularity under the old law of 1898. Only four employers' mutual accident insurance associations were organized under this law. One of these, the so-called "Subalpine Syndicate," was established in Turin and approved November 30, 1898. By its constitution this association was authorized to accept employers of all industries covered by the law in the Provinces of Turin, Alessandria, Novara, and Coni. It began its operations in December, 1898, with 333 members and about 19,000 employees insured, and by 1899 the number of members increased to 600 and the number of insured persons exceeded 30,000.

The mutual association of mine operators, organized in Sardinia and authorized March 31, 1899, had no territorial limitations to its activity. The association "Legure," in Genoa, was formed January 25, 1900, with only 8 members; but all these were large establishments in the iron and steel industry. Its constitution admitted all enterprises except the manufacture of explosives. The association of public works, buildings, and similar undertakings, in Florence, was authorized February 14, 1900, and included at the beginning 393 members and 4,098 insured employees.

In addition, there were organized in 1899 three cooperative funds—one in Florence, consisting of two mine operators; one in Palermo, comprising a number of Sicilian wine manufacturers; and one in

Vercelli, with 88 small, miscellaneous manufacturing establishments, employing 552 workers. Finally, 10 independent cooperative funds qualified in 1899 with a number of employees varying from 500 to 2,000. The largest among these were the fund of a shipbuilding concern, in Livorno, with 2,047 employees; the fund of subsidiary railroads, of Sardinia, insured 1,655; the fund of a large linen-goods factory, in Vicenza, with 1,681 employees; the fund of a machine shop, in Milan, with 1,237 employees; and a paper and printing establishment, in Florence, with 710 employees. Few of these private benefit funds were organized in 1899, but most of them had existed for some time before the adoption of the law of March 17, 1898, and had simply applied for recognition under the law. The amendment of the law in 1903, by extending the scope of the application of the law and the raising of the premium rates of the National Accident Insurance Institution, stimulated the formation of employers' mutual associations and private benefit funds. In 1904 three voluntary mutual associations were organized in Genoa, of which one included the works in the maritime port and one the seamen of that port. An employers' compulsory mutual association for the sulphur mines of Sicily was established in the same year. Three more voluntary associations and the compulsory association for insurance of seamen were established in 1905, and two voluntary ones in 1906.

Three cooperative benefit funds were organized in 1904, three more in 1906, and one early in 1907. Within the same period 12 private funds were formed, 3 in 1903, 3 in 1904, 5 in 1906, and 1 early in 1907. The most important of these are the funds of street railway employees in Florence and Naples, organized in 1903. Altogether, according to the list of accident insurance institutions brought up to February 28, 1907,<sup>(a)</sup> there were, in addition to the National Accident Insurance Institution, 7 private insurance companies, 12 employers' voluntary mutual associations, 2 employers' compulsory mutual associations, 10 cooperative benefit funds, and 22 private benefit funds.

#### GENERAL STATISTICS.

Unfortunately, the statistics of the activity of these various insurance institutions in Italy are very meager and fragmentary, and anything like a complete and up-to-date account of them is quite impossible.

A statistical report concerning the application of the law for the first fourteen months, ending December 31, 1899, was published early in 1901.<sup>(b)</sup> Later reports concerning all the accident insurance institutions were published in 1906.<sup>(c)</sup> Reports for more recent

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<sup>a</sup> Bollettino di Notizie sul Credito e sulla Previdenza, February, 1907, p. 196.

<sup>b</sup> Bollettino di Notizie sul Credito e sulla Previdenza, Vol. XIX, 1901, p. 140.

<sup>c</sup> Bollettino di Notizie sul Credito e sulla Previdenza, August, 1906, pp. 1371-1490.

years were published in the official organ of the Office of Credit and Savings Institutions.<sup>(a)</sup> Reports concerning the statistics of accidents alone are available for the second half of 1904, for 1905, and for 1906, but these do not contain any information concerning other results of the insurance system. Very little is known concerning the effects of the amendments to the law. Besides, these reports are very fragmentary, so that even the total number of persons insured is not stated.<sup>(b)</sup>

On December 31, 1899, 28,307 industrial establishments carried accident insurance, but for 20,459 establishments only was the number of employees known, which aggregated 1,050,763 persons. On December 31, 1900, the number of establishments carrying insurance was 36,020; the number of persons insured in 31,788 establishments was 1,272,592.<sup>(c)</sup>

In the report of the commission of the Chamber of Deputies concerning the ministerial proposal of March 13, 1908, the number of persons insured is stated as follows: For the year 1903, 869,874; 1904, 937,570; 1905, 1,089,086, and for 1906, 1,106,256. These totals are so low in comparison with the reports of the earlier years that some doubt as to their accuracy exists. As a matter of fact, data from only one private insurance company out of seven are available for 1903 and 1906, and for two only for 1904 and 1905.

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<sup>a</sup> Bollettino di Notizie sul Credito e sulla Previdenza, September-October, 1908, p. 1126.

<sup>b</sup> Many fragmentary but valuable statements may be found in the reports which Dr. Vincenzo Magaldi, Chief of the Bureau of Credit and Social Insurance, of the Ministry of Agriculture, Industry, and Commerce (*Direzione Generale del Credito e della Previdenza, Ministero di Agricoltura, Industria e Commercio*) periodically furnishes to the international congresses of social insurance, and which may be considered semiofficial, as the supervision of these institutions is intrusted to this bureau. Finally, Doctor Magaldi's two studies of labor insurance in Italy, published in Doctor Zacher's well-known series in 1905 and 1908, contain some statistical information which could not be found in the publications either of the Bureau of Credit and Providence (*Inspettorato Generale del Credito e della Previdenza*) or of the Bureau of Labor, and these data have been made use of in the following brief review. Concerning the activity of the National Accident Insurance Institution, the statistical information available is much more complete.

<sup>c</sup> Les accidents du travail en Italie, par. V. Magaldi (Congrès International des Accidents du Travail et des Assurances Sociales, Dusseldorf, 1902, p. 681).



No complete official record of the distribution of the total number of insured workmen among the various insurance institutions is available, the data for 1903 to 1906, published by the parliamentary commission, being admittedly very incomplete. These data are as follows:

NUMBER AND PER CENT OF INSURED WORKMEN IN ITALY, CLASSIFIED BY KIND OF FUND OR ASSOCIATION, 1903 TO 1906.

Kind of fund or association.	Workmen insured in the year—							
	1903.		1904.		1905.		1906.	
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
National institution.....	421,363	48.5	370,198	39.5	373,876	34.3	407,859	36.9
Private companies.....	352,298	40.5	443,990	47.3	514,464	47.2	447,654	40.5
Mutual association.....	62,793	7.2	83,191	8.9	150,687	13.9	189,587	17.1
Cooperative funds.....	18,539	2.1	24,734	2.6	28,346	2.6	35,662	3.2
Private funds.....	14,881	1.7	16,457	1.7	21,713	2.0	25,494	2.3
Total.....	869,874	100.0	937,570	100.0	1,089,086	100.0	1,106,256	100.0

The data indicate mainly a steady growth in the popularity of the mutual accident insurance principle. The figures for the cooperative funds also indicate a steady growth, the number of insured having almost doubled within three years.

The following table, constructed from the various reports of Doctor Magaldi, shows the number of accidents compensated by the various groups of insurance institutions, and therefore gives indirectly an idea of the comparative importance of these institutions:

NUMBER AND PER CENT OF ACCIDENTS COMPENSATED BY EACH KIND OF INSURANCE INSTITUTION, 1899 TO 1905.

[Source: Congrès International des Accidents du Travail et des Assurances Sociales, Paris, 1900; Düsseldorf, 1902; Bollettino di Notizie sul Credito e sulla Previdenza, August, 1906; Bollettino dell' Ufficio del Lavoro, Vol. III and Vol. VII.]

Kind of fund or association.	Nov. 1, 1898, to Dec. 31, 1899.		1900.		1901.		July to Dec., 1904.		1905.	
	Num- ber.	Per cent.	Num- ber.	Per cent.	Num- ber.	Per cent.	Num- ber.	Per cent.	Num- ber.	Per cent.
National institution.....	12,167	20.8	15,726	26.8	22,021	33.2	19,253	40.6	42,734	36.8
Private companies.....	41,676	71.2	36,293	61.8	37,017	55.9	19,518	41.2	50,945	43.9
Employers' associations.....	944	1.6	2,352	4.0	2,471	3.7	8,627	18.2	22,340	19.3
Private and cooperative funds	602	1.0	1,053	1.8	1,190	1.8				
Railroad funds.....	3,129	5.4	3,309	5.6	3,596	5.4				
Total.....	58,518	100.0	58,733	100.0	66,295	100.0	47,398	100.0	116,019	100.0

<sup>a</sup> Exclusive of 517 accidents for which the mode of insurance was unknown or which occurred in establishments not subject to insurance, making a total of 47,915 accidents.

<sup>b</sup> Exclusive of 8,299 accidents for which the mode of insurance was unknown or which occurred in establishments not subject to insurance, making a total of 124,318 accidents.



The most important indication of this table is the gradual decline in the relative importance of private insurance and the growing importance of the state insurance principle (in the National Accident Insurance Institution) on the one hand and of various mutual organizations on the other. Assuming that the number of accidents compensated is fairly representative of the number of persons insured, neither mutual employers' association nor private funds showed a very extensive activity in the earlier years of the application of this law, as they did not claim more than 5 or 6 per cent. The employers' associations showed a tendency to grow. For the later years it is unfortunately impossible to differentiate the activity of private funds from that of the employers' associations; but together these private and cooperative efforts show a considerable development, partly due to the establishment of obligatory mutual employers' associations.

The growth of the national institution has been very rapid, the slight decline in 1905 being due to the formation of the Sicilian Sulphur Mines Mutual Accident Insurance Association, since the insurance for these mines had been carried previously almost exclusively by the national institution. In 1899 only one-fifth of all accidents was compensated by this institution, and in 1904 two-fifths.

The growth was at the expense of the private insurance companies which in the beginning claimed over 70 per cent of the insurance, as the employers hurried to comply with the requirements of the law, but gradually lost, the employers being attracted by the lower rates of the national institution.

In the following table the accidents compensated by each group of insurance institutions are classified according to the termination of the injuries sustained, whether in death, permanent disability, or temporary disability. Only for the years 1899 to 1901 are these data available; while for the year 1902 the accidents may be thus classified, but not for each class of insurance institutions separately.

NUMBER AND PER CENT OF COMPENSATED ACCIDENTS RESULTING IN DEATH, PERMANENT DISABILITY, AND TEMPORARY DISABILITY, BY KIND OF INSURANCE INSTITUTION, 1899 TO 1902.

[Source: Congrès International des Accidents du Travail et des Assurances Sociales, Paris, 1900; Dusseldorf, 1902; Bollettino di Notizie sul Credito e sulla Previdenza, August, 1906; Bollettino dell' Ufficio del Lavoro, Vol. III and Vol. VII.]

Year and kind of fund or association.	Accidents resulting in—								Total.
	Death.		Permanent disability.				Temporary disability.		
			Com- plete.	Partial.	Total.				
	Num- ber.	Per cent.			Num- ber.	Per cent.	Number.	Per cent.	
Nov., 1898, to Dec., 1899.									
National institution.....	159	1.3	.....	.....	345	2.8	11,663	95.9	12,167
Private companies.....	361	.9	.....	.....	1,164	2.8	40,151	96.3	41,676
Employer's associations.....	8	.8	.....	.....	51	5.4	885	93.8	944
Private and cooperative funds.....	5	.8	.....	.....	14	2.3	583	96.9	602
Railroad funds.....	55	1.7	.....	.....	74	2.4	3,000	95.9	3,129
Total.....	588	1.1	.....	.....	1,648	2.8	56,282	96.1	58,518
1900.									
National institution.....	153	1.0	9	529	538	3.4	14,824	94.3	a 15,726
Private companies.....	324	.9	8	1,605	1,613	4.4	34,356	94.7	36,298
Employers' associations.....	27	1.1	1	86	87	3.7	2,238	95.2	2,352
Private and cooperative funds.....	5	.5	1	40	41	3.9	1,007	95.6	1,053
Railroad funds.....	50	1.5	7	72	79	2.4	3,180	96.1	3,309
Total.....	559	1.0	26	2,332	2,358	4.0	55,605	94.7	a 58,733
1901.									
National institution.....	279	1.3	10	895	905	4.1	20,837	94.6	22,021
Private companies.....	209	.6	3	1,627	1,630	4.4	35,178	95.0	37,017
Employers' associations.....	31	1.2	.....	106	106	4.3	2,324	94.5	2,471
Private and cooperative funds.....	7	.6	3	32	35	2.9	1,148	96.5	1,190
Railroad funds.....	46	1.3	1	101	102	2.8	3,448	95.9	3,596
Total.....	572	.9	17	2,761	2,778	4.2	62,945	94.9	66,296
1902.									
Total (b) .....	505	.8	39	2,868	2,907	4.6	59,957	94.6	63,369

<sup>a</sup> Including 211 accidents the results of which were unknown.

<sup>b</sup> Data by accident insurance institutions are not available.

A comparison between the premiums paid to the insurance institutions, the compensation paid by them, and the wage expense of the employers throws some light upon the cost of the accident insurance system. The amount paid in wages was not stated prior to 1901, so that the comparison of premiums, compensation, and wages can be made only for 1901 and 1902. For 1903 to 1906 the data are so fragmentary that they are omitted from the table which follows.

## AMOUNT OF COMPENSATION AND PREMIUMS, COMPENSATION AND PREMIUMS IN PER CENT OF WAGES, AND COMPENSATION IN PER CENT OF PREMIUMS, IN ACCIDENT INSURANCE, BY CLASS OF FUNDS, 1899 TO 1902.

[Source: Congrès International des Accidents du Travail et des Assurances Sociales, Paris, 1900; Dusseldorf, 1902; Bollettino di Notizie sul Credito e sulla Previdenza, August, 1906; Bollettino dell' Ufficio del Lavoro, Vol. III and Vol. VII.]

Year and kind of fund or association.	Wages of workers.	Compensation.				Premiums paid.		Compensation in per cent of premiums.
		Paid before Dec. 31.	Due but not paid on Dec. 31.	Total.	Per cent of wages.	Amount.	Per cent of wages.	
Nov., 1898, to Dec., 1899.								
National institution.....		\$188,793	\$14,703	\$203,496	.....	\$279,823	.....	72.72
Private companies.....		327,076	183,423	510,499	.....	713,915	.....	71.51
Employers' associations.....		16,970	.....	16,970	.....	25,129	.....	67.53
Total.....		532,839	198,126	730,965	.....	1,018,867	.....	71.74
Private funds.....		6,954	702	7,656	.....	.....	.....	.....
Grand total (a).....		539,793	198,828	738,621	.....	1,018,867	.....	72.49
1900.								
National institution.....		147,488	108,420	255,908	.....	298,610	.....	85.70
Private companies.....		328,260	235,365	563,625	.....	662,617	.....	85.06
Employers' associations.....		37,029	9,959	46,988	.....	44,744	.....	105.02
Total.....		512,777	353,744	866,521	.....	1,005,971	.....	86.14
Private funds.....		12,269	4,453	16,722	.....	.....	.....	.....
Railroad funds.....		85,655	10,645	96,300	.....	.....	.....	.....
Grand total.....		610,701	368,842	979,543	.....	1,005,971	.....	97.37
1901.								
National institution.....	\$25,495,077	415,029	.....	415,029	1.62	372,624	1.46	111.38
Private companies.....	58,221,017	309,834	150,579	460,413	.79	567,826	.98	81.08
Employers' associations.....	6,037,116	27,094	16,219	43,313	.72	51,840	.86	83.55
Cooperative funds.....	605,557	2,899	315	3,214	.53	6,071	1.00	52.94
Total.....	90,358,767	754,856	167,113	921,969	1.02	998,361	1.10	92.35
Private funds.....	2,128,049	13,036	908	13,942	.66	.....	.....	.....
Railroad funds.....	11,999,118	97,725	.....	97,725	.81	.....	.....	.....
Grand total.....	104,485,934	865,617	168,019	1,033,636	.99	998,361	.96	103.53
1902.								
National institution.....	31,423,779	520,137	.....	520,137	1.66	583,958	1.86	89.07
Private companies.....	65,484,573	258,961	218,159	477,120	.73	646,715	.99	73.78
Employers' associations.....	6,861,861	33,425	11,127	44,552	.65	61,928	.90	71.94
Cooperative funds.....	583,329	3,808	111	3,919	.67	17,965	3.08	21.81
Total.....	104,353,542	816,331	229,397	1,045,728	1.00	1,310,566	1.26	79.91
Private funds.....	1,727,782	15,490	2,738	18,218	1.05	.....	.....	.....
Railroad funds.....	15,766,249	83,297	.....	83,297	.53	.....	.....	.....
Grand total.....	121,847,573	915,108	232,135	1,147,243	.94	1,310,566	1.08	87.54

a Exclusive of railroad funds.

The proportion of total premiums to wages is shown to be 0.96 per cent in 1901 and 1.08 per cent in 1902. This is not altogether accurate, because in the private and railroad funds no premiums are paid. The percentages for the years 1901 and 1902, excepting the private funds and railroad funds, are 1.10 and 1.26, respectively. The percentage is highest for the national institution, which corroborates the opinion that the industries with the highest risks are insured

in this institution. Altogether, however, the accident insurance system as established by the law of 1898 did not cost Italian industries much over 1 per cent of the wage expense during 1898 to 1902. As the amendments of 1903, embodied in the codified text of 1904, made somewhat more liberal provisions, the cost is now considerably higher. In fact the data for 1903 to 1906, though not very accurate, seem to indicate an increasing cost, which in 1904 amounted to 1.56 per cent, in 1905 to 2.12 per cent, and in 1906 to 2.19 per cent.

This comparatively low cost of the accident insurance system in the earlier years is explained by the very low average amount of the compensation. From the two preceding tables and the estimates of Dr. Magaldi, quoted below, the following statement has been compiled:

NUMBER OF ACCIDENTS COMPENSATED AND TOTAL AND AVERAGE AMOUNT OF INDEMNITY PAID, 1899 TO 1905.

Year.	Accidents compensated.	Indemnity paid.		Year.	Accidents compensated.	Indemnity paid.	
		Total.	Average.			Total.	Average.
1899 (a) .....	55,389	\$738,621	\$13.34	1903.....	73,704	\$1,286,948	\$17.46
1900.....	58,733	979,543	16.68	1904.....	121,654	1,951,572	16.04
1901.....	66,205	1,033,636	15.59	1905.....	156,215	2,558,782	16.38
1902.....	63,369	1,147,243	18.10				

a Not including the railroad funds.

Thus the average amount of compensation per case, while increasing quite rapidly, amounted in 1902 to only \$18.10, and in 1905 to \$16.38, this including all cases.

A general average like the above has a limited value. Of greater importance are the averages for the four main classes of accidents, those resulting in death, complete permanent disability, partial permanent disability and temporary disability. In such detail, data are available only for the year 1901, and they are shown in the table following. The average compensation for death is found to have been only \$633.42, for complete permanent disability \$646.24, for partial permanent disability \$151.64, and for temporary disability, which cases constitute the vast majority of all accidents, \$3.83.

No definite conclusions can be derived from this table concerning any differences between the various classes of insurance institutions except that the benefits paid by the railroad funds are considerably higher than those of other institutions. The number of cases of death and total permanent disability is too small for the averages to be trustworthy. Both in case of partial permanent disability and temporary disability the compensation paid by private insurance companies seems to be decidedly smaller than that paid either by the National Accident Insurance Institution or by the mutual employers' associations.

NUMBER OF ACCIDENTS AND AVERAGE INDEMNITY, BY RESULT OF INJURY AND BY GROUPS OF INSURANCE INSTITUTIONS, 1901.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, August, 1906.]

Kind of fund or association.	Injuries resulting in—								Total.	
	Death.		Total permanent disability.		Partial permanent disability.		Temporary disability.		Cases.	Indemnity per case.
	Cases.	Indemnity per case.	Cases.	Indemnity per case.	Cases.	Indemnity per case.	Cases.	Indemnity per case.		
National institution.....	279	\$613.82	10	\$693.70	895	\$169.93	20,837	\$4.07	22,021	\$18.85
Private companies.....	209	628.93	3	794.33	1,627	127.01	35,178	3.41	37,017	12.44
Employers' associations.....	31	544.13	.....	.....	106	168.36	2,334	3.93	2,471	17.53
Cooperative funds.....	1	724.00	.....	.....	6	274.67	182	4.63	189	17.01
Private funds.....	6	713.50	3	338.83	26	136.57	966	5.27	1,001	13.93
Railroad funds.....	46	820.39	1	651.00	101	371.13	3,448	6.34	3,596	27.18
Total.....	572	633.42	17	646.24	2,761	151.64	62,945	3.83	66,295	15.50

The results of the application of the accident insurance law during 1903, 1904, and 1905 are shown in the table following. The figures contained in this table were compiled by the author from original reports of the separate insurance companies, though some of them are only estimates. In the few cases where the figures may be checked up from official reports, as for instance the total number of accidents in 1905, they do not quite agree with the figures quoted elsewhere in this report. They are reproduced here as the best available data concerning the application of the law during recent years.

GENERAL RESULTS OF THE APPLICATION OF THE ACCIDENT INSURANCE LAW, 1903 TO 1905. (a)

[Source: Vincenzo Magaldi, Die Arbeiterversicherung in Italien (Zacher, Heft VIb, 1908).]

Year.	Total premium paid.	Total amount of compensation paid.	Total number of accidents.	Average amt. of compensation per accident.	Amt. of compensation per \$100 of premium.	Eight insurance institutions reporting.					Approximate number of employees insured.	Approximate number of accidents per 1,000 insured.
						Number of workmen insured.	Annual wages paid to insured.	Number of accidents per 1,000 insured.	Average premium per \$1,000 of wages.	Average premium per insured.		
1903...	\$1,496,371	\$1,286,948	73,704	17.46	\$36.06	841,602	\$27,735,447	72	\$7.96	\$1.29	1,163,563	63.34
1904...	2,659,502	1,951,572	121,654	16.04	73.38	926,631	36,348,208	95	13.75	1.95	1,363,129	89.25
1905...	3,153,988	2,558,732	156,215	16.38	81.13	1,081,325	45,003,063	105	19.10	2.02	1,563,659	99.90

a The number of workmen insured and the amount of wages paid to these workmen is available for eight insurance companies only. This important information is given in the table in columns 7 to 11, inclusive, while the last two columns contain an estimate of the total number of persons based upon data for these eight companies.

The table indicates, first, a rapid increase in the number of accidents compensated, proportionately as well as absolutely. In two years the absolute number has more than doubled (increased by 112 per cent), partly through inclusion of new industries by the amendments of 1903. But the accident rate within two years has increased from 72 to 105 per 1,000, or 45.8 per cent. The average amount of compensation has not shown any tendency to increase, being in 1905 less than in 1903 (\$16.38 as against \$17.46), but the total amount of compensation has doubled and the amount of premiums has even more than doubled. The average premium per insured has increased from \$1.29 to \$2.02, and the cost of the insurance premium from 0.8 per cent of the wages to 1.91 per cent, or considerably more than doubled.

It is the general impression in Italy that this rapid increase of accidents reported is to a great extent due to fraudulent practices, and, as will be shown in a later section, these conditions have created a strong demand for amendment in the procedure by which such frauds might be prevented.

#### LITIGATION UNDER THE LAW.

As one of the purposes of the law is to do away with unnecessary and costly litigation, and substitute for it a cheap, automatic, and orderly manner of settling disputes, the following statistics of the cases of litigation under this law are interesting. It appears that during the year 1906, 1,987 cases were disposed of in some way, and in 1907, 2,498, while 2,431 were pending on December 31, 1907, making a total of 6,916 for these two years. In the table these cases are shown by the result, by the court, and also by the group of insurance institutions.

## LITIGATION UNDER THE ACCIDENT INSURANCE LAW DURING 1906 AND 1907.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, 1908, Vol. XXVI.]

Kind of fund or association and classification of courts.	1906.				1907.				1906 and 1907.				
	Number of cases—			Total cases.	Number of cases—			Total cases.	Number of cases—				Total cases.
	Ad-judicated.	Compromised	Abandoned		Ad-judicated.	Compromised	Abandoned		Ad-judicated.	Compromised	Abandoned	Pending on December 31, 1907.	
<b>National institution:</b>													
Magistrates.....	79	125	54	258	97	197	70	364	176	322	124	211	833
Lower courts.....	187	341	117	645	181	364	123	668	368	705	240	668	1,981
Court of appeals..	54	13	6	73	52	11	4	67	106	24	10	85	225
Court of cassation	9	.....	.....	9	9	1	.....	10	18	1	.....	12	31
<b>Total.....</b>	<b>329</b>	<b>479</b>	<b>177</b>	<b>985</b>	<b>339</b>	<b>573</b>	<b>197</b>	<b>1,109</b>	<b>668</b>	<b>1,052</b>	<b>374</b>	<b>976</b>	<b>3,070</b>
<b>Insurance companies:</b>													
Magistrates.....	43	103	14	160	51	117	36	204	94	220	50	243	607
Lower courts.....	109	244	26	379	190	322	54	566	299	566	80	614	1,559
Court of appeals..	27	4	1	32	43	5	.....	48	70	9	1	79	159
Court of cassation	11	1	.....	12	3	.....	.....	3	14	1	.....	14	29
<b>Total.....</b>	<b>190</b>	<b>352</b>	<b>41</b>	<b>583</b>	<b>287</b>	<b>444</b>	<b>90</b>	<b>821</b>	<b>477</b>	<b>796</b>	<b>131</b>	<b>950</b>	<b>2,354</b>
<b>Mutual associations:</b>													
Magistrates.....	94	35	12	141	104	40	15	159	198	75	27	157	457
Lower courts.....	134	61	9	204	160	78	9	247	294	139	18	255	706
Court of appeals..	22	1	.....	23	81	7	3	91	103	8	3	53	167
Court of cassation	1	.....	.....	1	2	.....	.....	2	3	.....	.....	5	8
<b>Total.....</b>	<b>251</b>	<b>97</b>	<b>21</b>	<b>369</b>	<b>347</b>	<b>125</b>	<b>27</b>	<b>499</b>	<b>598</b>	<b>222</b>	<b>48</b>	<b>470</b>	<b>1,338</b>
<b>Cooperative funds:</b>													
Magistrates.....	1	.....	.....	1	1	1	.....	2	2	1	.....	.....	3
Lower courts.....	5	7	.....	12	5	9	1	15	10	16	1	10	37
Court of appeals..	3	.....	.....	3	1	.....	.....	1	4	.....	.....	.....	4
Court of cassation	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<b>Total.....</b>	<b>9</b>	<b>7</b>	<b>.....</b>	<b>16</b>	<b>7</b>	<b>10</b>	<b>1</b>	<b>18</b>	<b>16</b>	<b>17</b>	<b>1</b>	<b>10</b>	<b>44</b>
<b>Private funds:</b>													
Magistrates.....	2	2	2	6	11	2	4	17	13	4	6	5	28
Lower courts.....	11	8	1	20	13	14	.....	27	24	22	1	18	65
Court of appeals..	6	.....	.....	6	6	.....	.....	6	12	.....	.....	1	13
Court of cassation	2	.....	.....	2	1	.....	.....	1	3	.....	.....	1	4
<b>Total.....</b>	<b>21</b>	<b>10</b>	<b>3</b>	<b>34</b>	<b>31</b>	<b>16</b>	<b>4</b>	<b>51</b>	<b>52</b>	<b>26</b>	<b>7</b>	<b>25</b>	<b>110</b>
<b>All insurance institutions:</b>													
Magistrates.....	219	265	82	566	264	357	125	746	483	622	207	616	1,928
Lower courts.....	446	661	153	1,260	549	787	187	1,523	995	1,448	340	1,565	4,348
Court of appeals..	112	18	7	137	183	23	7	213	295	41	14	218	568
Court of cassation	23	1	.....	24	15	1	.....	16	38	2	.....	32	72
<b>Total.....</b>	<b>800</b>	<b>945</b>	<b>242</b>	<b>1,987</b>	<b>1,011</b>	<b>1,168</b>	<b>319</b>	<b>2,498</b>	<b>1,811</b>	<b>2,113</b>	<b>561</b>	<b>2,431</b>	<b>6,916</b>

Of the 6,916 cases, 2,431 were pending, so that only 4,485 were settled in or out of court. Of these, 561, or 12.5 per cent, were abandoned, 2,113, or 47.1 per cent, were compromised out of court, and only 1,811, or 40.4 per cent, were adjudicated in court. The number of cases disposed of by the various insurance institutions reaches nearly 150,000. For the National Accident Insurance Institution and the private insurance companies, the report gives the following comparison for 1906, the figures for 1907 not being available at the time.



## DISPOSITION OF CASES OF LITIGATION IN THE NATIONAL ACCIDENT INSURANCE INSTITUTION AS COMPARED WITH PRIVATE INSURANCE COMPANIES, 1908.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, 1908, Vol. XXVI.]

Kind of insurance institution.	Number of accidents.	Amount of premiums received.	Amount of compensation paid for accidents.	Cases of litigation on account of accident.							
				Adjudicated.		Compromised.		Abandoned.		Total.	
				Number.	Per 1,000 accidents	Number.	Per 1,000 accidents	Number.	Per 1,000 accidents	Number.	Per 1,000 accidents
National Accident Insurance Institution.	66,077	\$1,244,289	\$1,119,064	329	4.98	479	7.25	177	2.68	985	14.91
Private insurance companies.....	86,416	1,637,595	1,407,155	190	2.20	352	4.07	41	.47	583	6.75

It appears from this comparison that of the cases insured in the National Accident Insurance Institution, nearly 15 cases per thousand led to litigation, while for the private insurance companies the proportion is less than 7 per thousand. It is explained in the official report, however, that this difference against the national institution is not due to any tendency of this institution to put difficulties in the way of paying compensation and to call forth litigation, but to the fact that private insurance companies may scrutinize the requests for accident insurance and decline the risks, while the national insurance institution is prohibited from declining any application for insurance, and therefore gets the worst insurance contracts.

## THE NATIONAL ACCIDENT INSURANCE INSTITUTION.

Among the institutions provided for accident insurance the most important is the National Institution for Insurance of Workmen against Industrial Accidents (*Cassa Nazionale d' Assicurazione per gl' Infortuni degli Operai sul Lavoro*), not only because of its close official relations with the Government, making it practically a state institution, and because of the large amount of accident insurance it carries, but also because of its history and the rôle it played in the development of the idea of accident insurance. Italy joined the list of countries with compulsory accident insurance in 1898, after a long and obstinate opposition, which lasted nearly 20 years. During all this time Italy was making an effort to solve the problem through the method of voluntary insurance, and because the establishment of this system did not change the legal status of employers' liability, no objections were raised to the bill to establish a national insurance institution for the voluntary insurance of workmen against accidents, which was offered by the Government to the Parliament on the same day (in 1883) that the first bill for a system of compensation was introduced.

For 15 years (1883 to 1898) this system of voluntary insurance operated before the law for compulsory insurance was finally passed, and while the voluntary system was admitted to be insufficient, the volume of the operations under this system was constantly growing. In the system of compulsory insurance, as introduced by the law of 1898, this national insurance institution was given a prominent function, but its operation under the new law has radically changed in so many important respects that the history of this institution is divided by the law of 1898 into two well-defined periods.

#### HISTORY.

The National Accident Insurance Institution is a private institution, organized by ten private savings and banking institutions,<sup>(a)</sup> which on February 8, 1883, concluded an agreement with the minister of agriculture, industry, and commerce. This agreement was approved by the law of July 8, 1883. The law granted to this private institution certain privileges, such as the free cooperation of the postal savings banks in all its financial transactions, the exemption of all its transactions from stamp duties and other taxes, and the exemption of the institution from the provisions of the Commercial Code concerning commercial corporations. The system of voluntary insurance against accidents as it existed until the law of March 17, 1898, went into effect, was established by this agreement and the following acts: The law of December 3, 1886, and royal decrees of March 26, 1884 (approving the rates), July 3, 1884 (approving the constitution and by-laws), July 24, 1887, November 22, 1888, and December 29, 1888 (approving the revised by-laws).<sup>(b)</sup>

The institution was left its autonomous administration, though put under government control. It was self-supporting, that is, no subsidy from the Government was granted. Its income was derived mainly from the insurance premiums, and in addition from interest on investments, and from other miscellaneous sources. The endowment funds, however, were large, and therefore presented a substantial aid to those who wished to undertake the insurance of employees. As such insurance was entirely voluntary, it follows that the establishment of this institution did not introduce any change in

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<sup>a</sup> The institutions were as follows: The savings banks of Milan, Turin, Bologna, Rome, Venice, Cagliari, the banks of Naples and of Sicily, the loan savings bank of Genoa, and the loan company at Siena. The Milan institution contributed 600,000 lire (\$115,800) (which was subsequently increased to 625,000 lire (\$120,625)), the Naples bank 200,000 lire (\$38,600), the banks at Turin, Bologna, Siena, Rome, and Sicily 100,000 lire (\$19,300) each, the Genoa bank 75,000 lire (\$14,475), and the banks of Venice and Cagliari 50,000 lire (\$9,650) each.

<sup>b</sup> Bollettino di Notizie sul Credito e sulla Previdenza, 1884. Also Maurice Bellom, *Les Lois d'Assurance Ouvrière a l'Étranger. II. Assurance Contre les Accidents. Troisième partie*, pages 1653-1700.

the legal relations of the employers and employees, and put no financial obligations upon the industries except as the employer was willing to insure his employees at his own expense.

The insurance institution was organized in recognition of the necessity of some provision for the victims of industrial accidents, as well as of the advantages of an orderly adjustment of claims over protracted judicial procedures. Notwithstanding the recognition of the advantages of insurance, the obligatory system was claimed to be ill adapted to Italian conditions, because the burden of such insurance was excessive in view of the weak position of Italian industry, and because the compulsion was out of harmony with Italian conditions. Therefore it was reasoned that the development of voluntary insurance was more desirable, and for this development the national institution was to be a most efficient stimulus. There had existed some private accident insurance even before the institution was organized; but it was costly and therefore not popular. The national institution was able to quote very low premium rates for three reasons: The absence of a profit motive in its organization by the ten savings banks, which are institutions for social welfare; the low cost of administration, and the material advantages arising from the guarantee fund and the privileges offered by the Government. The premium rates of the National Accident Insurance Institution were very much lower than those quoted by private insurance companies, the latter in some cases being 300 or 400 per cent higher.<sup>a</sup> It thus not only offered a very cheap form of insurance but was to act as a factor in forcing the private companies to reduce their rates.

The National Accident Insurance Institution began its operations on a very small scale, but grew rapidly during the earlier years. In 1884 the number of insured was less than 500; in 1886, over 30,000; and in 1890 over 100,000. In 1897, on the eve of the adoption of the compulsory accident insurance law, the total number of insured was 172,869.

#### PRESENT PURPOSE AND SCOPE.

The original legislation concerning the national institution still remains in force, and only new regulations concerning premiums and indemnity were issued in 1898 and 1903 to conform with the requirements of the new law. The institution provides accident insurance to all who apply for it. According to the law of 1904, it must accept all insurance—and even all reinsurance—offered, though it may increase the premiums when the insurance asked presents a special risk. The law further provides that establishments operated by the state,

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<sup>a</sup> *Avantage du libre choix de l'assureur—Congrès International des Accidents du Travail et des Assurances Sociales. Troisième Session, Milan, 1894. Tome 1, pages 865 to 881.*

provincial, and communal governments, or by private persons by franchise from the Government, must insure their employees in the national institution.

As far as obligatory insurance is concerned, the general provisions of the accident insurance law apply. Voluntary insurance against accidents may be contracted for by any industrial or agricultural establishment in the country.

According to the decree of November 22, 1888, all workmen who reside within the Kingdom and who have reached the age of 9 years may be insured. According to the agreement of 1883 the minimum age was 10 years. The blind, deaf, mute, epileptic, and insane are excluded, as a rule, though the executive committee may permit the insurance of deaf, mute, or blind. Epileptics may be insured only in the collective form and persons over 70 years of age only in the individual form.

From the beginning of the operations of the national insurance institution it has insured against the results of industrial accidents, namely, death, total or partial permanent disability, and temporary disability. Each insurance policy may or may not include the latter, separate schedules of rates being provided for insurance which includes temporary disability benefits.

#### BENEFITS.

As the whole organization of the national insurance institution for the first 15 years of its existence was based upon the principle of voluntary insurance, no fixed amounts of compensation could be established, the determination of the amounts being left to individual contracts and depending upon the insurance premium paid, as explained in a later section.

The following stipulations were made in regard to the payment of compensation. In case of death, the whole amount of insurance was paid to the legal heirs. Of permanent disability, three degrees were recognized. First degree: Total permanent disability, including the loss of both eyes, both arms, both hands, both feet, one arm and one hand, one hand and one foot, or incurable mental disease. For such disability the payment of the full amount of insurance was granted. Second degree: Permanent disability, reducing the earning capacity one-half or more, including such injuries as the loss of one arm or hand or one leg or foot, or such mental disease as does not altogether disqualify the person from employment. Third degree: When the injury is not as serious as in the preceding degrees, but yet leads to permanent diminution of earning power, such as loss of one eye, or one or several fingers. For injuries leading to disability of the second or third degree from 10 to 80 per cent of the total amount of insurance was paid. Indemnities for permanent disability or

death were paid if these consequences developed within one year from the day of the accident.

In case of temporary disability the full amount of the daily benefit stipulated in the insurance policy is paid from the sixth day throughout the continuance of the disability, but not over 360 days. The original agreement provided for compensation for temporary disability to begin one month after the injury; but by the law of December 23, 1886, the superior council was permitted to reduce this period, with the approval of the Government, and by the decree of July 24, 1887, the payment of compensation beginning with the sixth day was permitted.

The amount of daily benefits could be reduced by 20 per cent to 40 per cent after the first 24 days. If the duration of disability could not be estimated, or was likely to last over three months, the institution could, with the agreement of the injured person, substitute a lump sum for the daily benefits. This amount of benefits paid for temporary disability must be deducted from the amount due for permanent disability or death when such results finally develop. Furthermore, maximum limits of indemnity were established by the regulations, which meant putting a limit to the amount of insurance. For cases of death and total permanent disability the limit was 10,000 lire (\$1,930), and for temporary disability 5 lire (97 cents) per day.

The national insurance institution may also insure the employers against the risk of employers' liability, but the limit of insurance must not exceed 10,000 lire (\$1,930). The maximum limit may be made smaller by the executive committee, and must be specified in the policy. In any case the institution insures to the employer the payment of only nine-tenths of the judgment in favor of the employee, and in case of 7 classes of greater risk (out of the 14 classes into which all the establishments were divided) only eight-tenths. Thus the interest of the employer in preventing severe industrial accidents is not entirely eliminated, even if the employer carries insurance against employers' liability.

With the introduction of compulsory compensation for accidents by the law of 1898 and subsequent acts the compensation for accidents under contracts made in compliance with these laws are regulated; but there is in addition a considerable amount of voluntary insurance, for which the rates of compensation are arbitrary.

#### SOURCES OF INCOME.

The National Accident Insurance Institution is a self-supporting institution. Its income, besides the small revenue from interest on the endowment and other investments, is derived from the premiums paid by the persons contracting for insurance. As the law requires

the employers to meet this cost in all industries specified, by far the largest share now comes from the employers. The State does not contribute directly to the resources of the insurance institution. A certain amount of individual insurance against accidents is still written by the institution. Employees in industries not covered by the laws of 1898 and 1903 may thus obtain protection for themselves at their own expense. Employers may voluntarily insure workmen at their own expense, and special provisions were also made for collective insurance of the membership of mutual benefit societies.

#### PREMIUMS.

The study of the premiums and their development is of great importance because it throws some light upon the problem of cost of accident insurance. During the 25 years of its existence the premiums of the National Accident Insurance Institution have undergone many revisions, mainly with a view of their increase.

The general scale of premiums depended upon the forms of insurance, in addition to the variation of the trade risk. Three forms of insurance were recognized at the beginning of the operations—individual insurance, simple collective insurance, and combined collective insurance. Individual insurance is a contract entered into with an individual employee, and guaranteeing him a specified sum in case of injury sustained from an industrial accident. Simple collective insurance may be carried either by an employer for his employees, an employer and his employees jointly for the benefit of the latter, or an association of workmen for the benefit of its members. Finally, combined collective insurance is carried either by the employer individually or jointly with his employees in favor of the latter, and in addition to the regular benefits also insures the employer against judgments arising out of employers' liability. Insurance against employers' liability only was not permitted.

The insurance premiums differed for each of these three forms of insurance and also varied according to the degree of risk. For these purposes all industries and classes of employees were divided into 14 classes on the basis of the imperfect accident statistics obtainable at the time, and a long list of such industries and form of work and employment was prepared, which contained nearly 700 items. In addition separate rates were quoted per person insured and per 1,000 lire (\$193) of wages paid, the former for all forms of insurance and the latter only for collective insurance. As insurance may be written either with or without the inclusion of temporary disability benefits, separate premium rates were prepared for both forms.

The first tariff of premiums was approved by the council of the institution in February, 1884; it was slightly modified and raised in



December, 1888. Both tariffs are given for the different forms of insurance in the following table. Tariff A was applicable to individuals insuring themselves against the results of industrial accidents. Tariffs B and D were intended for collective insurance. Tariff B granted the right to the same compensation as tariff A, but it was lower because of the collective nature of the insurance. In tariff D the rates are for compensation to the employee and also the insurance of the employer against liability within the limits specified, namely, up to 10,000 lire (\$1,930). For the seven lower-risk groups the insurance covered only nine-tenths and for the seven higher-risk groups only eight-tenths of the judgment in favor of the employee.

For all the three classes of insurance the rates of compensation could be doubled, trebled, etc., by corresponding increases of the premium.

Tariffs B and D can be applied conveniently only to permanent employees and would present many practical difficulties with a shifting body of employees. These rates were therefore open to permanent bodies, such as mutual benefit associations or similar organizations, or to such employers as were able to furnish complete lists of names of employees. In all cases the application of these tariffs required a special permit of the administrative council of the national insurance institution.

The policies for which the premium rates shown in the following table were paid included a death benefit of 1,000 lire (\$193), a total permanent disability benefit of 1,000 lire (\$193), a partial permanent disability benefit in proportion to the reduction of earning power, a temporary disability benefit of 1 lira (19.3 cents) per day, and an employers' liability insurance up to 10,000 lire (\$1,930), but not more than nine-tenths of the judgment for classes 1 to 7 and eight-tenths for classes 8 to 14.



# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1751

ANNUAL PREMIUM RATES PER PERSON INSURED, AS APPROVED IN 1884 AND IN 1888, BY FORM OF INSURANCE AND CLASS OF RISK.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, 1884. Cassa Nazionale d'Assicurazione per gli Infortuni degli Operai sul Lavoro. Regolamento dei premi e delle indennità e tariffe. Milano, 1898.]

Form of insurance.	Premium rate per person insured in risk class—													
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
Individual insurance (tariff A), 1884: (a)														
Without temporary disability benefit.....	Lire. 1.00	Lire. 1.12	Lire. 1.35	Lire. 1.57	Lire. 1.85	Lire. 1.99	Lire. 2.24	Lire. 2.73	Lire. 3.29	Lire. 4.60	Lire. 6.13	Lire. 8.05	Lire. 10.05	Lire. 13.00
With temporary disability benefit.....	1.50	1.68	2.03	2.35	2.77	2.99	3.36	4.13	4.93	6.90	9.20	12.08	15.02	19.50
Simple collective insurance (tariff B) (exclusive of employers' liability):														
Without temporary disability benefit.....	1884.. .60	.72	.80	.96	1.12	1.28	1.44	1.60	1.99	2.40	3.20	4.80	8.00	12.00
1888.. .72	.80	.96	1.12	1.28	1.44	1.60	1.99	2.40	3.20	4.80	7.20	9.60	12.00	
With temporary disability benefit.....	1884.. .90	1.08	1.20	1.44	1.68	1.92	2.16	2.40	2.99	3.60	4.80	7.20	12.00	18.00
1888.. 1.08	1.20	1.44	1.68	1.92	2.16	2.40	2.99	3.60	4.80	7.20	10.80	14.40	18.00	
Combined collective insurance (tariff D) (with employers' liability), 1888: (b)														
Without temporary disability benefit.....	1.03	1.41	1.55	1.87	2.17	2.44	2.95	3.54	4.47	6.37	8.94	12.40	15.86	19.33
With temporary disability benefit.....	1.39	1.81	2.03	2.43	2.81	3.16	3.75	4.54	5.67	7.97	11.34	16.00	20.66	25.33

a Not changed in December, 1888.

b No corresponding tariff in 1884.

The normal tariffs used were those based upon the amount of the wage expenses, and quoted per 1,000 lire (\$193) of wages paid, rather than those based on the number of persons employed. According to the first tariff of 1884, the amount of compensation agreed upon in case of death or total permanent disability could be either one, two, three, or four years' salary; partial permanent disability was compensated proportionately, and for temporary disability the daily allowance was equal to one-thousandth of the insurance in case of death.

The tariff C as quoted covered insurance for all the possible consequences of industrial accidents—death, permanent disability, and temporary disability—but if it was desired to exclude all provision for temporary disability the premium rates were reduced one-third. This form of insurance included employers' liability. It was evidently expected in the beginning that the payments connected with this form of insurance would be heavy. Thus two tariffs were prepared, C and C<sup>1</sup>, the former insuring only nine-tenths of the employers' liability and C<sup>1</sup> insuring the entire liability; and the difference between these two tariffs was considerable, as may be seen from the following table. Moreover, such unlimited insurance of employers' liability was permitted only for the classes of lower risks, I to X, so that for the classes XI to XIV the rates are equal in both tariffs C and C<sup>1</sup>.

The premiums for various amounts of insurance were not proportionate to the amount of compensation, which is partly explained by the inclusion of the fixed charge for employers' liability.

The premiums shown in the next table were for the following benefits:

(1) In case of death or total permanent disability, an amount equal to the specified number of times the annual wages.

(2) In case of partial permanent disability, a proportionate part of the sum above mentioned, according to the reduction of earning power.

(3) In case of temporary disability, a daily benefit equal to one-thousandth part of that amount, but not over the daily wages and not over 5 lire (96.5 cents), beginning with the thirty-first day of disability and up to three hundred and sixty days.

(4) A guarantee of employers' liability, unlimited (tariff C<sup>1</sup>) or up to nine-tenths (tariff C).

ANNUAL PREMIUM RATES PER 1,000 LIRE (\$193) OF WAGES PAID ACCORDING TO THE TARIFF OF 1884, BY FORM AND AMOUNT OF INSURANCE AND CLASS OF RISK.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, 1884.]

Form and amount of insurance.	Premium rate per 1,000 lire (\$193) in risk class—													
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
Combined collective insurance, with insurance of employers' liability limited to nine-tenths (tariff C).														
Amount of policy:	<i>Lire.</i>	<i>Lire.</i>	<i>Lire.</i>	<i>Lire.</i>	<i>Lire.</i>	<i>Lire.</i>	<i>Lire.</i>	<i>Lire.</i>	<i>Lire.</i>	<i>Lire.</i>	<i>Lire.</i>	<i>Lire.</i>	<i>Lire.</i>	<i>Lire.</i>
1 year's wages.....	1.30	1.39	1.81	2.03	2.43	2.81	3.16	3.75	4.54	5.67	7.97	11.34	16.88	25.33
2 years' wages.....	2.05	2.49	2.81	3.24	3.83	4.40	4.97	5.72	7.02	8.64	11.88	17.28	27.00	40.50
3 years' wages.....	2.75	3.32	3.73	4.37	5.13	5.89	6.64	7.56	9.32	11.34	15.39	22.68	36.45	54.68
4 years' wages.....	3.40	4.10	4.56	5.40	6.35	7.29	8.18	9.18	11.39	13.77	18.50	27.54	45.23	67.68
Combined collective insurance, with unlimited insurance of employers' liability (tariff C <sup>1</sup> ).														
Amount of policy:														
1 year's wages.....	1.44	1.54	2.01	2.25	2.70	3.12	3.51	4.14	5.04	6.30	(a)	(a)	(a)	(a)
2 years' wages.....	2.28	2.76	3.12	3.60	4.26	4.89	5.52	6.36	7.80	9.60	(a)	(a)	(a)	(a)
3 years' wages.....	3.06	3.69	4.14	4.86	5.70	6.54	7.38	8.40	10.35	12.60	(a)	(a)	(a)	(a)
4 years' wages.....	3.78	4.56	5.07	6.00	7.05	8.10	9.09	10.20	12.66	15.30	(a)	(a)	(a)	(a)

a Unlimited insurance of employers' liability not permitted for this class.

These tariffs per 1,000 lire (\$193) of wages paid, as the most frequently used, were most modified in 1888. Tariff C<sup>1</sup> was altogether abolished, it being considered undesirable to grant unlimited insurance of employers' liability. Tariff C, for combined collective insurance with limited employers' liability, became tariff E, and a new tariff for simple collective insurance, per 1,000 lire (\$193) of wages paid, was prepared.

The determination of the compensation in multiples of the annual earnings was thought too rigid, and a more flexible system of multiples of daily wages was substituted, eight classes being recognized instead of the previous four classes. As in the preceding tariff of 1884, tariffs

C and E cover insurance for all the possible consequences of industrial accidents. If it was desired to exclude temporary disability the premium rates according to tariff C were reduced by one-third. As Tariff E included a charge for employers' liability insurance, it could be adjusted for the exclusion of temporary disability by deducting from the quotation of tariff E, which is to be used, one-third of the corresponding quotation from tariff C.

The premiums shown in the next table were for benefits, as follows:

(1) In case of death or total permanent disability, an amount equal to the specified number of times the daily earnings.

(2) In case of partial permanent disability, a proportionate part of the sum above mentioned, according to the reduction of earning power.

(3) In case of temporary disability, a daily benefit equal to one-thousandth of that amount.

(4) Under the combined collective insurance policy, a guarantee of employers' liability up to 10,000 lire (\$1,930), not exceeding nine-tenths of the judgment for classes 1 to 7 and eight-tenths for classes 8 to 14.

ANNUAL PREMIUM RATES PER 1,000 LIRE (\$193) OF WAGES PAID, ACCORDING TO THE TARIFF OF 1888, BY FORM AND AMOUNT OF INSURANCE AND CLASS OF RISK.

[Source: Cassa Nazionale d'Assicurazione per gl' Infortuni degli Operai sul Lavoro. Regolamento dei premi e delle indennità tariffe. Milano, 1898.]

Form and amount of insurance.	Premium rate per 1000 lire (\$193) in risk class—													
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
Simple collective insurance (tariff C):														
Amount of policy—	Lire.	Lire.	Lire.	Lire.	Lire.	Lire.	Lire.	Lire.	Lire.	Lire.	Lire.	Lire.	Lire.	Lire.
300 days' wages.....	1.08	1.20	1.44	1.68	1.92	2.16	2.40	2.99	3.60	4.80	7.20	10.80	14.40	18.00
400 days' wages.....	1.47	1.60	1.91	2.24	2.56	2.88	3.23	4.01	4.85	6.50	9.69	15.46	19.21	23.97
500 days' wages.....	1.88	2.01	2.38	2.80	3.20	3.62	4.06	5.03	6.10	8.20	12.19	18.12	24.02	29.95
600 days' wages.....	2.29	2.43	2.87	3.36	3.84	4.34	4.88	6.04	7.35	9.89	14.69	21.77	28.84	35.91
700 days' wages.....	2.60	2.81	3.32	3.88	4.42	5.03	5.66	7.00	8.51	11.46	17.00	25.19	33.37	41.56
800 days' wages.....	2.91	3.19	3.78	4.41	5.00	5.71	6.44	7.97	9.67	13.03	19.32	28.61	37.91	47.21
900 days' wages.....	3.24	3.58	4.24	4.94	5.66	6.39	7.23	8.92	10.83	14.59	21.64	32.04	42.44	52.84
1,000 days' wages....	3.56	3.93	4.64	5.44	6.24	7.02	7.94	9.80	11.90	16.03	23.77	35.22	46.67	58.10
Combined collective insurance (tariff E):														
Amount of policy—														
300 days' wages.....	1.39	1.81	2.03	2.43	2.81	3.16	3.75	4.54	5.67	7.97	11.34	16.00	20.66	25.33
400 days' wages.....	1.75	2.14	2.43	2.90	3.34	3.76	4.41	5.37	6.66	9.28	13.32	19.02	24.69	30.39
500 days' wages.....	2.12	2.47	2.83	3.37	3.87	4.37	5.07	6.20	7.65	10.58	15.30	22.02	28.72	35.45
600 days' wages.....	2.49	2.81	3.24	3.83	4.40	4.97	5.72	7.02	8.64	11.88	17.28	25.02	32.76	40.50
700 days' wages.....	2.76	3.11	3.62	4.26	4.87	5.53	6.33	7.79	9.54	13.05	19.08	27.79	36.51	45.23
800 days' wages.....	3.03	3.41	4.00	4.69	5.34	6.09	6.94	8.56	10.44	14.22	20.88	30.56	40.26	49.96
900 days' wages.....	3.32	3.78	4.37	5.13	5.89	6.64	7.56	9.32	11.34	15.39	22.68	33.34	44.00	54.68
1,000 days' wages....	3.60	4.00	4.72	5.54	6.36	7.15	8.10	10.00	12.15	16.43	24.30	35.87	47.44	59.02

The new conditions imposed by the accident insurance law upon the National Accident Insurance Institution necessitated the immediate preparation of a new premium tariff to conform with the cost of insurance under the new law. As the law of 1898 did not cover all industrial establishments and did not altogether destroy the opportunities for voluntary insurance, the old tariffs remained in force and

a new tariff of rates (tariff F) was added for insurance in compliance with the requirements of the law. Tariff F, shown in the table following, includes rates for insurance with employers' liability (combined collective insurance) and without such liability (simple collective insurance). Somewhat higher rates are also quoted in case the employer desires to grant for temporary disability a somewhat higher daily allowance than one-half of the daily wages as provided for by the law.

The tariff was approved by the executive council of the insurance institution on September 10, 1898, and by royal decree of October 30, 1898. It was preliminary in its character, not being based upon any very exact data. The old classification of industries and occupations was preserved with only a few changes, which were all, however, in the nature of transfers from a lower to the next higher risk group.

The tariffs are seen to be higher than the highest rates quoted in the highest tariff of 1888—that providing compensation of 1,000 times the daily wages for death. But, nevertheless, the premium securing all the forms of compensation guaranteed by the law of 1898 amounts to less than 1 per cent of the wage expense for the first seven risk groups. It is less than 2 per cent in Groups VIII, IX, and X, and only in the Groups XI to XIV does it rise to a very high level.

ANNUAL PREMIUM RATES PER 1,000 LIRE (\$193) OF WAGES PAID, FOR INSURANCE ACCORDING TO THE REQUIREMENTS OF THE LAW OF MARCH 17, 1898, AND ALSO FOR AN INCREASE OF AMOUNT OF COMPENSATION FOR TEMPORARY DISABILITY (TARIFF F).

[Source: Maurice Bellom, *Les Lois d'Assurance Ouvrière à l'Etranger. II. Assurance contre les Accidents*, 4<sup>ème</sup> partie. For benefits covered by the premiums below, see p. 1753.]

Form and amount of insurance.	Premium rate per 1,000 lire (\$193) in risk class—													
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV
Simple collective insurance, with temporary disability benefits amounting to—														
50 per cent of daily wages.	Lire. 4. 19	Lire. 4. 60	Lire. 5. 43	Lire. 6. 37	Lire. 7. 31	Lire. 8. 23	Lire. 9. 29	Lire. 11. 48	Lire. 13. 93	Lire. 18. 76	Lire. 27. 83	Lire. 41. 26	Lire. 54. 68	Lire. 68. 08
60 per cent of daily wages.	4. 32	4. 74	5. 60	6. 56	7. 52	8. 47	9. 57	11. 81	14. 35	19. 33	28. 67	42. 48	56. 28	70. 07
70 per cent of daily wages.	4. 43	4. 87	5. 75	6. 73	7. 71	8. 70	9. 83	12. 13	14. 74	19. 85	29. 44	43. 62	57. 79	71. 95
80 per cent of daily wages.	4. 53	4. 99	5. 90	6. 91	7. 91	8. 92	10. 09	12. 46	15. 12	20. 37	30. 21	44. 76	59. 31	73. 84
Combined collective insurance, with temporary disability benefits amounting to—														
50 per cent of daily wages.	4. 31	4. 82	5. 66	6. 66	7. 65	8. 61	9. 79	12. 07	14. 70	19. 96	29. 40	43. 21	57. 01	70. 84
60 per cent of daily wages.	4. 43	4. 94	5. 80	6. 82	7. 83	8. 81	10. 01	12. 34	15. 03	20. 39	30. 06	44. 21	58. 36	72. 52
70 per cent of daily wages.	4. 52	5. 04	5. 93	6. 96	7. 98	8. 99	10. 21	12. 60	15. 33	20. 78	30. 66	45. 13	59. 61	74. 10
80 per cent of daily wages.	4. 61	5. 14	6. 05	7. 10	8. 14	9. 18	10. 41	12. 85	15. 63	21. 17	31. 26	46. 06	60. 86	75. 67

The rates quoted above were preliminary, and the administration of the National Accident Insurance Institution was ordered to prepare a new schedule of premium rates within two years. On November 1, 1900, this time was extended to October 20, 1902, and on September 6, 1902, again extended to December 31, 1903, in view of the preparation for the amendment of the law.<sup>a</sup> The new tar-

<sup>a</sup> Bollettino di Notizie sul Credito e sulla Previdenza, 1902.

iffs were finally approved by the superior council of the institution on November 28, 1903, and by royal decree on December 3, 1903. Accompanying these new premiums is a new set of regulations concerning premiums and compensation.

According to these new regulations, the following six forms of insurance are written by the institution, which are essentially the same as in the past.

A. Combined collective insurance according to the law as amended and inclusive of employers' liability.

B. Simple collective insurance according to the law, but exclusive of employers' liability.

C. Combined collective insurance for a stipulated rate of compensation and including employers' liability (for industries not covered by the law).

D. Simple collective insurance for a stipulated rate of compensation, but exclusive of employers' liability (for industries not covered by the law).

E. Individual insurance according to the law and exclusive of employers' liability.

F. Individual insurance for a stipulated rate of compensation.

As a rule, to which specific exceptions may be made by the institution, the collective forms of insurance embrace all workmen employed by the establishment who come under the provisions of the laws of March 17, 1898, and June 29, 1903. But simple collective insurance may also be taken by a workmen's mutual benefit society. All collective insurance must comply with the general conditions of the policy as approved by the minister of agriculture, industry, and commerce. The conditions of the individual policy are prepared by the superior council of the institution, conforming as far as possible to those of the collective policy.

The premium rates were radically changed by the new tariff. A general increase was found necessary because of the gradual rise in the number of accidents compensated. Besides, the twenty years' experience of the institution permitted a more careful classification of industries and occupations according to their accident risks. Instead of 14 groups, the new tariff presents 32 groups. In the table following are presented the two basic tariffs, A and D, for the corresponding classes of insurance. Tariff A is quoted per 1,000 lire (\$193) of wages paid and includes the legal insurance as well as employers' liability. Tariff D is quoted per employee, and covers under the corresponding class of insurance the following amounts of compensation: In case of death or total permanent disability 1,000 lire (\$193), a proportionate amount in case of partial permanent disability, and 1 lira (19.3 cents) per day in case of temporary disability. Tariff A is practically of the greatest importance.

The premium under tariff B (that is, exclusive of employers' liability) is obtained by reducing the corresponding premium under tariff A by 3 per cent.

Insurance under tariffs C and D is intended for industries not covered by the law. Premiums for this form must be quoted per person per annum. If the compensations stipulated are identical with those required by the law, then the premiums under tariffs A and B may be applied to the annual earnings of each employee. Tariff D is applicable when the stipulated compensation is as given above. If it is desired to include the insurance of employers' liability, 10 per cent must be added to these rates. If other amounts of compensation are stipulated, the institution may quote different rates. For individual insurance the same rates are applied.

The law defines the daily allowance for temporary disability as half of the daily earnings. If it is desired to increase this to 80 per cent of the earnings, the rate of the second higher risk groups is applicable for the first six groups, and the next higher group for the remaining groups. Eight-tenths is the normal maximum of the daily earnings insurable, though in exceptional cases nine-tenths may be stipulated; the daily allowance must not exceed 5 lire (96.5 cents), unless one-half of the wages exceeds this limit. The other maximums established are: For death, 10,000 lire (\$1,930), and for total permanent disability, 12,000 lire (\$2,316).

ANNUAL PREMIUM RATES APPROVED DECEMBER, 1903, BY CLASS OF RISK.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, 1904. For benefits covered by the premiums below see p. 1755.]

Risk class.	Pre- mium per 1,000 lire of wages paid (tariff A).	Premium per each employee.				Risk class.	Pre- mium per 1,000 lire of wages paid (tariff A).	Premium per each employee.			
		Including com- pensation for temporary disability (tariff D).		Exclusive of compensation for temporary disability (tariff D).				Including com- pensation for temporary disability (tariff D).		Exclusive of compensation for temporary disability (tariff D).	
	Lire.	Lire.		Lire.			Lire.	Lire.		Lire.	
I.....	2.50	1.00	\$0.19	1.00	\$0.19	XVII...	26.00	8.40	\$1.62	5.50	\$1.06
II.....	3.00	1.25	.24	1.10	.21	XVIII..	30.00	9.50	1.83	6.00	1.16
III.....	4.00	1.50	.29	1.20	.23	XIX....	35.00	10.60	2.05	6.70	1.29
IV.....	5.00	1.75	.34	1.30	.25	XX.....	40.00	11.80	2.28	7.50	1.45
V.....	6.00	2.00	.39	1.40	.27	XXI....	45.00	13.00	2.51	8.50	1.64
VI.....	7.00	2.30	.44	1.60	.31	XXII...	50.00	14.20	2.74	10.00	1.93
VII.....	8.00	2.60	.50	1.80	.35	XXIII..	55.00	15.40	2.97	11.50	2.22
VIII.....	9.00	3.00	.58	2.00	.39	XXIV...	65.00	16.60	3.20	13.00	2.51
IX.....	10.00	3.30	.64	2.20	.42	XXV...	75.00	18.00	3.47	14.50	2.80
X.....	11.00	3.60	.69	2.40	.46	XXVI..	90.00	20.00	3.86	16.50	3.13
XI.....	12.00	4.00	.77	2.60	.50	XXVII...	106.00	25.00	4.83	19.00	3.67
XII.....	14.00	4.60	.89	3.00	.58	XXVIII...	125.00	31.00	5.98	22.00	4.25
XIII.....	16.00	5.30	1.02	3.50	.68	XXIX...	150.00	38.00	7.33	25.00	4.83
XIV.....	18.00	6.00	1.16	4.00	.77	XXX...	200.00	48.00	9.26	30.00	5.79
XV.....	20.00	6.60	1.27	4.50	.87	XXXI...	250.00	60.00	11.58	40.00	7.72
XVI.....	23.00	7.50	1.45	5.00	.97	XXXII...	300.00	75.00	14.48	55.00	10.62

NOTE.—Tariff B may be derived from tariff A by a reduction of 3 per cent. Tariff C may be derived from tariff D by an increase of 10 per cent. In insurance forms E and F tariffs B and D, respectively, may be used.



The list of industries and occupations with the risk class under which each has been placed is given on pages 1758 to 1769. As is indicated in the many notes, it is not absolute. Many conditions may be taken into consideration for the purpose of increasing the premium, by placing the industry or occupation in a higher risk group. In addition to these specific qualifications, a general rule permits the increase or decrease of the premium under the following circumstances: Increase of premium in case of use of mechanical or circular saws, use of motors or dangerous machinery, extensive use of means of transportation, work on scaffolds or stagings or in any other position in which falls are possible, work in place when collapse of materials is likely, use of explosives, corrosive substances, compressed gases, inflammable liquids, or other dangerous substances.

Decrease of premium in case of use of electric motors, especially for the purpose of driving machinery; use of special and efficient safety appliances, or other conditions evidently reducing the risk of the industry.

Whenever several distinct processes differing as to their degree of risk are combined in one establishment, the premium may be computed in the following way: The wage expense in each department is multiplied by the corresponding premium rate, and the sum of the products is divided by the total wage expense. Where such computation is impossible, a similar computation, based upon the number of employees in the various departments, may be made.

Furthermore, the executive committee of the national insurance institution is permitted to add new industries to those in the list, and even transfer industries from one risk group to another, upon the basis of experience acquired.

The institution is to write insurance asked for by any industry to which the law of obligatory insurance applies, but may decline the insurance in case of industries not subject to the law if the risk appears unfavorable, because of the character of the persons to be insured, their age, or their condition of health, if they object to a sufficient increase of the premium.

In addition to the premium as per tariff, a special charge of two lire (38.6 cents) is levied upon the policy, when the premium does not exceed 50 lire (\$9.65); of 5 lire (96.5 cents) when the premium is more than 50 lire (\$9.65) but not more than 200 lire (\$38.60); and of 10 lire (\$1.93) for all policies contracting for a premium of over 200 lire (\$38.60). No special charge is levied upon individual policies.



Finally a minimum premium is established for all policies. For the individual policies this minimum amounts to only 1 lira (19.3 cents), and for the collective policies the minimum is as follows:

MINIMUM ANNUAL PREMIUMS FOR COLLECTIVE INSURANCE.

For risk classes—	Minimum annual premium allowable.	
	Lire.	
I to V.....	5	\$0.965
VI to X.....	10	1.930
XI to XV.....	15	2.895
XVI to XX.....	20	3.860
XXI to XXIII.....	30	5.790
XXIV to XXVI.....	40	7.720
XXVII to XXXII.....	50	9.650

In the following table are shown the industries and occupations included in each of the 32 risk classes and for each class the annual premium rate in per cent of wages paid. The rates, which were approved in December, 1903, are for combined collective insurance according to the law as amended, including insurance of employers' liability.

CLASSIFICATION OF ENTERPRISES, INDUSTRIES, AND PROFESSIONS, BY DEGREE OF RISK; AND PREMIUM FOR EACH RISK CLASS.

[Source: Cassa Nazionale d'Assicurazione per gli Infortuni degli Operai sul Lavoro . Regolamento dei premi e delle indennità e tariffe, 1903. For benefits covered by these premiums, see page 1755.]

In- dus- try num- ber.	Industry.	Risk class.	Annual premium rates in per cent of wages.
AGRICULTURE, ANIMAL INDUSTRY, AND SILVICULTURE.			
Agriculture:			
1	Agriculture, with machinery, including the entire personnel of the establishment (a).....	XX	4.0
2	Agriculture, without machinery, including the entire personnel of the establishment.....	XII	1.4
3	Steam plowing.....	XX	4.0
4	Machine seeding.....	XIV	1.8
5	Machine mowing.....	XX	4.0
6	Steam thrashing.....	XXII	5.0
7	Steam pressing of fodder.....	XVIII	3.0
8	Steam chopping of fodder.....	XXV	7.5
9	Tilling for hemp and flax with machinery.....	XVIII	3.0
10	Tilling for hemp and flax without machinery.....	VIII	.9
11	Drying rooms, with machinery.....	XIII	1.6
12	Drying rooms, without machinery.....	IX	1.0
13	Engineers and firemen attending to steam engines used for agricultural work not mentioned in the tariff (irrigation, drainage, cleaning, and grinding of cereals, pressing, etc.), including accessory machinery when it does not present any special danger.....	XIX	3.5
14	Horticulture, viticulture, gardening, and other work of a similar nature (b)	VIII	.9
15	Dissipating hailstorms.....	XXVII	10.5
Animal industry:			
16	Cattle raising, driving, and care of stock.....	XXI	4.5
17	Poultry raising.....	I	.25
18	Silkworm raising, with their removal from the leaves of the mulberry tree, and their transportation.....		1.8
19	Silkworm raising, without the removal from the leaves of the mulberry tree, and their transportation.....	IX	1.0

a The premium may be reduced when the use of mechanical motors is limited.  
b If machinery is used the premium must be increased.

## CLASSIFICATION OF ENTERPRISES, INDUSTRIES, AND PROFESSIONS, BY DEGREE OF RISK; AND PREMIUM FOR EACH RISK CLASS—Continued.

In- dus- try num- ber.	Industry.	Risk class.	Annual premium rates in per cent of wages.
<b>AGRICULTURE, ANIMAL INDUSTRY, AND SILVICULTURE—concluded.</b>			
<b>Silviculture:</b>			
20	Tree felling in the mountains (a).....	XXVIII	12.5
21	Tree felling on the plains (b).....	XXVI	9.0
22	Trimming and gathering flowers and seed and other work performed upon the trees.....	XX	4.0
23	Manufacture of charcoal, with chopping of wood.....	XXVI	9.0
24	Manufacture of charcoal, without chopping of wood.....	XI	1.2
<b>FOODSTUFFS, OILS, AND TOBACCO.</b>			
<b>Beverages, alcohols, and ice:</b>			
25	Effervescent waters.....	XIX	3.5
26	Mineral waters.....	XI	1.2
27	Wines (c).....	XI	1.2
28	Breweries.....	XVII	2.6
29	Manufacture of malt.....	VIII	.9
30	Manufacture and refining of alcohol.....	XVI	2.3
31	Manufacture of spirits, liquors, exclusive of the distilling with machinery..	XIII	1.6
32	Same as above, without machinery.....	XI	1.2
33	Sirups.....	XIII	1.6
34	Vinegar.....	IX	1.0
35	Artificial ice.....	XXII	5.0
<b>Coffee and spices:</b>			
36	Coffee drying and roasting, with machinery.....	VIII	.9
37	Coffee drying and roasting, without machinery.....	III	.1
38	Coffee substitutes, with machinery.....	X	1.1
39	Coffee substitutes, without machinery.....	VI	.7
40	Spices, pulverizing and grinding.....	XIII	1.6
41	Liquors.....	X	1.1
42	Mustard.....	X	1.1
<b>Milk and its products:</b>			
43	Condensed milk, including manufacture of the cans.....	XIV	1.8
44	Condensed milk, exclusive of the manufacture of the cans.....	X	1.1
45	Milk, sterilization and modification.....	X	1.1
46	Manufacture of cheese, including cattle raising.....	XVI	2.3
47	Manufacture of cheese, exclusive of cattle raising, with machinery.....	XI	1.2
48	Manufacture of cheese, exclusive of cattle raising, without machinery....	VI	.7
<b>Slaughtering and salting of meats:</b>			
49	Public slaughterhouses, including the entire personnel.....	XXIII	5.5
50	Salting meat, including slaughtering.....	XVIII	3.0
51	Salting, without slaughtering, with machinery.....	XIV	1.8
52	Salting, without slaughtering, without machinery.....	XI	1.2
<b>Flour grinding, rice polishing, baking and pastes:</b>			
53	Flour-grinding mills, stationary.....	XVII	2.6
54	Flour-grinding mills, floating.....	XIX	3.5
55	Pounding rice.....	XV	2.0
56	Bakeries, with machinery.....	XVI	2.3
57	Bakeries, without machinery.....	VII	.8
58	Manufacture of wafers.....	V	.6
59	Food pastes, with machinery.....	XVI	2.3
60	Food pastes, without machinery.....	VII	.8
<b>Vegetable and animal oils:</b>			
61	Animal oils.....	IX	1.0
62	Vegetable oils in general, large establishments.....	XII	1.4
63	Vegetable oils in general, small establishments.....	IX	1.0
64	Vegetable oils in general, extraction of residual oils by means of sulphur...	XVIII	3.0
<b>Pastry baking, chocolate, preserves, and food products:</b>			
65	Pastry baking and confectionery, with machinery.....	IX	1.0
66	Pastry baking and confectionery, without machinery.....	IV	.5
67	Chocolate and almond cakes, with machinery.....	XI	1.2
68	Chocolate and almond cakes, without machinery.....	VI	.7
69	Preserves, including manufacture of cans.....	XV	2.0
70	Preserves, exclusive of manufacture of cans.....	VIII	.9
71	Prepared food products, with machinery.....	XIV	1.8
72	Prepared food products, without machinery.....	VIII	.9
<b>Tobacco:</b>			
73	Tobacco manufactures.....	II	.3
<b>Sugar:</b>			
74	Sugar factories and refineries.....	XVIII	3.0

a With or without transportation.

b With or without transportation; the premium may be reduced in exceptional cases if the transportation offers sufficient guarantee of security.

c Premium is increased if there is connected with it any transportation service or the use of mechanical motors.

## CLASSIFICATION OF ENTERPRISES, INDUSTRIES, AND PROFESSIONS, BY DEGREE OF RISK; AND PREMIUM FOR EACH RISK CLASS—Continued.

Industry number.	Industry.	Risk class.	Annual premium rates in per cent of wages.
<b>PAPER, LEATHER, GUMS, AND PRINTING.</b>			
<b>Paper and cardboard making:</b>			
75	Wood pulp.....	XVII	2.6
76	Paper manufacturing, with machinery (a).....	XIV	1.8
77	Paper manufacturing, without machinery (a).....	VIII	.9
78	Cardboard with machinery (b).....	XI	1.2
79	Cardboard, without machinery (b).....	IV	.5
80	Papier-mâché, statuary pasteboard.....	XI	1.2
<b>Manufactures of paper and cardboard:</b>			
81	Colored paper and wall paper, with machinery.....	XI	1.2
82	Colored paper and wall paper, without machinery.....	III	.4
83	Paper, wax, oiled, parchment, sand, glazed, etc., with machinery.....	X	1.1
84	Same as above, without machinery.....	III	.4
85	Various manufactures (boxes, envelopes, tubes, bags, etc.) with machinery (c).....	XI	1.2
86	Same as above, without machinery (c).....	III	.4
87	Stationery and bookbinding, with machinery.....	VIII	.9
88	Stationery and bookbinding, without machinery.....	II	.3
<b>Preparation of leather and manufacture of leather substitutes:</b>			
89	Tanneries, with machinery.....	XIV	1.8
90	Tanneries, without machinery.....	XI	1.2
91	Dyeing, glazing, and preparation of skins and leather, with machinery...	XII	1.4
92	Same as above, without machinery.....	VII	.8
93	Parchment.....	XI	1.2
94	Wax cloth.....	VIII	.9
95	Artificial leather.....	XI	1.2
96	Bark grinding mills.....	XVII	2.6
<b>Manufactures of skins, leather and substitutes:</b>			
97	Footwear, with machinery.....	VII	.8
98	Footwear, without machinery.....	III	.4
99	Gloves, with machinery.....	VI	.7
100	Gloves, without machinery.....	II	.3
101	Saddlery, harness, and similar things, with machinery.....	VII	.8
102	Saddlery, harness, and similar things without machinery.....	III	.4
103	Trunks and other manufactures of leather, with machinery.....	VI	.7
104	Trunks and other manufactures of leather, without machinery.....	II	.3
<b>India rubber, gutta-percha, and celluloid, manufacture of:</b>			
105	Manufacture of india rubber and gutta-percha, with machinery.....	XIV	1.8
106	Manufacture of india rubber and gutta-percha, without machinery.....	VI	.7
107	Water-proof textiles.....	X	1.1
108	Manufactures of celluloid.....	XIII	1.6
<b>Polygraphic arts:</b>			
109	Printing, lithographing, color printing, etc., with machinery (d).....	V	.6
110	Same as above, without machinery (d).....	II	.3
111	Engravers.....	II	.3
112	Designers and copyists.....	I	.25
113	Photographers.....	II	.3
<b>CHEMICAL INDUSTRIES.</b>			
<b>Acids, salts, and other chemical products:</b>			
114	Calcium carbide.....	XV	2.0
115	Distillation of coal tar.....	XVII	2.6
116	Cream of tartar.....	IV	.5
117	Wood distillation, exclusive of felling and transportation of trees.....	XV	2.0
118	Sulphuret of carbon.....	XXIV	6.5
<b>Chemical products not specified in the tariff:</b>			
119	(a) Manufacture of corrosive substances (strong acids, caustic alkalis, etc.).....	XVII	2.5
120	(b) Manufacture of various products, where corrosive substances are used.....	XV	2.0
121	(c) Manufacture of various products without the use of corrosive substances.....	XII	1.4
122	(d) Manufacture of pharmaceutical products.....	IX	1.0
<b>Starch, dextrin, and albumen:</b>			
123	Starch and face powder, with machinery.....	XI	1.2
124	Starch and face powder, without machinery.....	VI	.7
125	Fecula.....	VII	1.4
126	Glucose, dextrin, and albumen.....	XI	1.2

a The premium is increased if it is combined with the manufacture of wood pulp.

b Exclusive of the manufacture of wood pulp; otherwise the premiums for paper must be applied.

c The premium may be modified according to the greater or smaller importance of mechanical appliances.

d The premium may be increased if the establishment includes a type foundry, or the preparation of type with circular saws.

## CLASSIFICATION OF ENTERPRISES, INDUSTRIES, AND PROFESSIONS, BY DEGREE OF RISK; AND PREMIUM FOR EACH RISK CLASS—Continued.

Industry number.	Industry.	Risk class.	Annual premium rates in per cent of wages.
<b>CHEMICAL INDUSTRIES—concluded.</b>			
<b>Glue and artificial fertilizers:</b>			
127	Glue, with machinery (a).....	XI	1.2
128	Glue, without machinery (a).....	VII	.8
129	Artificial fertilizers, with machinery (b).....	XII	1.4
130	Artificial fertilizers, without machinery (b).....	IX	1.0
<b>Dyestuffs and colors and varnishes:</b>			
131	Dyestuffs and colors (animal, vegetable, and mineral), with machinery (c).....	XIII	1.6
132	Same as above, without machinery (c).....	IX	1.0
133	Varnishes.....	XIV	1.8
134	Blacking (exclusive of the manufacture of boxes).....	VIII	.9
135	Writing ink.....	V	.6
136	Printing ink.....	IX	1.0
<b>Explosives:</b>			
137	Explosives in general (gunpowder, dynamite, guncotton, etc.).....	XXVI	9.0
138	Pyrotechnics (manufacture and setting off of fireworks).....	XXVIII	12.5
139	Cartridges (manufacture and charging).....	XXVI	9.0
<b>Matches:</b>			
140	Wax matches.....	VIII	.9
141	Wooden matches, including mechanical manufacture of the splints.....	XIV	1.8
142	Wooden matches, exclusive of the mechanical manufacture of the splints.....	VIII	.9
<b>Illuminating gas and its products:</b>			
143	Common gas, manufacture and distribution.....	XI	1.2
144	Acetylene, manufacture and distribution.....	XVI	2.3
145	Coke.....	XIV	1.8
<b>Fats and their derivatives, soaps and candles:</b>			
146	Fats in general (lubricants, tallow, margarine, artificial butter, etc.) with machinery.....	XIII	1.6
147	Same as above, without machinery.....	XI	1.2
148	Stearin, with machinery.....	XIII	1.6
149	Stearin, without machinery.....	XI	1.2
150	Glycerin, with distillation of fat.....	XVI	2.3
151	Glycerin, without distillation of fat.....	XI	1.2
152	Soap, with machinery.....	XIII	1.6
153	Soap, without machinery.....	XI	1.2
154	Candles of wax and tallow, with machinery.....	XI	1.2
155	Candles of wax and tallow, without machinery.....	VII	.8
156	Stearin candles, with machinery.....	XIII	1.6
157	Stearin candles, without machinery.....	VIII	.9
<b>Petroleum, essences, ether, rosin, and asphalt:</b>			
158	Petroleum refining.....	XIII	1.6
159	Essences.....	X	1.1
160	Ethers.....	XIV	1.8
161	Perfumery.....	IV	.5
162	Distillation of rosins.....	XIII	1.6
163	Sealing wax.....	XI	1.2
164	Asphalt working, with machinery.....	XV	2.0
165	Asphalt working, without machinery.....	XI	1.2
<b>CONSTRUCTION OF BUILDINGS, PUBLIC ROADS, AND IRRIGATION WORKS.</b>			
<b>Laborers in various works:</b>			
166	Unskilled day laborers in works not otherwise specified in the tariff, including transportation on rail or by animal traction and with use of blasting.....	XIX	3.5
167	Same as above, exclusive of transportation and without use of blasting ..	XV	2.0
<b>Building—Construction and repair of buildings (dwellings, factories, churches, towers, and accessory structures):</b>			
168	(a) Work executed at a considerable height or with incomplete scaffolding or on roofs, cupolas, etc., or work mainly connected with tearing down, construction of towers, belfries, smoke-stacks, placing of lightning rods, etc.....	XXIV	6.5
169	(b) Work executed altogether or mainly upon scaffolding or with frequent use of blasting or with certain amount of tearing down of buildings.....	XXI	4.5
170	(c) Work executed only partly upon scaffolding, or in which blasting is used only exceptionally or with very little tearing down of buildings.....	XVII	2.6
171	(d) Work in which special measures of prevention are applied, or such as is performed indoors on slightly elevated staging, without tearing down of structures or use of blasting, and general assistance in construction.....	XV	2.0
172	Framework and construction in wood.....	XXII	5.0
173	Pavements of wood blocks and of cement.....	IX	1.0
174	Construction of fireplaces inside of buildings.....	XI	1.2
175	Installation of gas fixtures, heaters, and water pipes.....	XV	2.0

a Increase of premium if benzine is used for extraction of the fats.

b Increase of premium accompanied by production of sulphuric acid.

c Increase of premium if use is made of grinding mills, corrosive substances or digesters.

## CLASSIFICATION OF ENTERPRISES, INDUSTRIES, AND PROFESSIONS, BY DEGREE OF RISK; AND PREMIUM FOR EACH RISK CLASS—Continued.

In- dus- try num- ber.	Industry.	Risk class.	Annual premium rates in per cent of wages.
	CONSTRUCTION OF BUILDINGS, PUBLIC ROADS, AND IRRIGATION WORKS— concluded.		
	Painters, gilders, white washers, plasterers, varnishers, workers in mosaic, paper hangers, etc.:		
176	(a) On scaffolding and exterior of the buildings (also in the inside of build- ings when staging is placed at great height).....	XXI	4.5
177	(b) On scaffolding on inside of buildings.....	XV	2.0
178	(c) In buildings or in shops, exclusive of all work on scaffolding.....	VIII	.9
179	Decorators, installation of special illumination, and of work executed on hand ladders or movable ladders.....	XXI	4.5
	Hydraulic work and bridges:		
	Subterranean aqueducts, construction and maintenance—		
180	(a) Including work in galleries or at a certain depth and with frequent use of blasting.....	XXI	4.5
181	(b) Including work in open air or at a slight depth with rare use of blasting.....	XVII	2.6
182	(c) Including work in the open air with superficial excavations and without use of blasting.....	XI	1.2
183	Sewers, cleaning without pneumatic machines.....	XXII	5.0
184	Sewers, cleaning with pneumatic machines.....	XIX	3.5
	Canal construction:		
185	(a) Work at great depth or subterranean, with danger of landslides and with frequent use of blasting.....	XX	4.0
186	(b) Work at slight depth with rare use of blasting, not including trans- portation of the excavated material by tramways.....	XVI	2.3
187	Canal maintenance.....	XII	1.4
	Regulation of streams and water courses:		
188	(a) Work with use of blasting or in places subject to landslides, construc- tion of masonry on large scale; use of dredges.....	XX	4.0
189	(b) Work with rare use of blasting, without danger of landslides, with masonry work on small scale.....	XIV	1.8
190	Watchmen, hydraulic works.....	XVII	2.6
	Ports, construction and repair:		
191	(a) Work with compressed air or with frequent use of blasting.....	XXVI	9.0
192	(b) Work with moderate use of blasting and extraction and with excava- tion of stone.....	XXIII	5.5
193	(c) Work without use of blasting and without excavation of stone.....	XIX	3.5
194	(d) Other work presenting lower risk.....	XV	2.0
195	Personnel of lighthouses.....	XXI	4.5
196	Divers.....	XXIX	15.0
197	Pile driving.....	XXI	4.5
198	Dredges, floating.....	XXII	5.0
199	Dredges, on dry land.....	XIX	3.5
200	Construction of common wells.....	XXIV	6.5
201	Construction of artesian wells, with machinery.....	XXII	5.0
202	Construction of artesian wells, by hand labor.....	XIX	3.5
	Bridges, construction and maintenance:		
203	(a) Of iron (a).....	XX	4.0
204	(b) Of wood (a).....	XIX	3.5
205	(c) Of masonry.....	XX	4.0
	Public roads—Construction:		
206	(a) With tunnels and bridges of considerable magnitude, either because of the number or because of their length or elevation.....	XXV	7.5
207	(b) With tunnels and bridges of certain magnitude, or with frequent use of blasting, or with excavation of material, mountain roads.....	XXII	5.0
208	(c) With small tunnels and bridges, with exceptional use of blasting and without excavating work, level roads.....	XIX	3.5
209	(d) Without tunnels or bridges, without blasting, with limited carting..	XVII	2.6
210	Maintenance of ordinary roads, with carting.....	XVII	2.6
211	Maintenance of ordinary roads, without carting.....	IX	1.0
212	Construction of tunnels.....	XXV	7.5
	ELECTRICITY.		
	Installation of electric telephone and telegraph lines:		
213	Electric-power conduits or electric-light wires, installation and mainte- nance (b).....	XVI	2.3
214	Telephones, installation and maintenance, with work on roofs and poles...	XXV	7.5
215	Telephone installation and maintenance, including stringing of wires on poles.....	XVI	2.3
216	Telegraphs, installation and maintenance.....	XVI	2.3

<sup>a</sup> If use is made of compressed air the premium may be increased by one or two classes. The premium may also vary according to the magnitude of the construction work.

<sup>b</sup> The premium to be increased if the work is to be performed with live wires, especially in case of a high-tension current.

## CLASSIFICATION OF ENTERPRISES, INDUSTRIES, AND PROFESSIONS, BY DEGREE OF RISK; AND PREMIUM FOR EACH RISK CLASS—Continued.

Industry number.	Industry.	Risk class.	Annual premium rates in per cent of wages.
<b>ELECTRICITY—concluded.</b>			
217	Production and distribution of electric energy: Electric power houses. (Also including installation of fixtures.).....	XVII	2.6
<b>BRICKYARDS, POTTERY, AND GLASS INDUSTRY.</b>			
218	Brickyards and manufacture of plaster and cement: Brickyards, machine manufacture.....	XVI	2.3
219	Brickyards, manufacture by hand.....	IX	1.0
220	Brickyards, manufacture both by hand and machinery.....	XIV	1.8
221	Gypsum (plaster of paris), manufacture of.....	VI	.7
222	Cement, manufacture of various materials (not including extraction)....	IX	1.0
223	Majolica, porcelain, and earthenware: Majolica, porcelain, and earthenware.....	V	.6
224	Glass and mirrors: Glass, including production of plate glass.....	XIV	1.8
225	Glass, without production of plate glass.....	IX	1.0
226	Glass beads.....	VI	.7
227	Enamels.....	VII	.8
228	Working up of glass (grinding, polishing, chemical, mechanical, and photographic engraving).....	IX	1.0
229	Glasiers, working on scaffolding.....	XVI	2.3
230	Glasiers, working without scaffolding.....	VII	.8
231	Mirrors, with production of plate glass.....	XIV	1.8
232	Mirrors, without production of plate glass.....	VII	.8
<b>WOODWORKING.</b>			
233	Poles, sticks, umbrellas, and pipes: Strips of wood for cornices, with use of mechanical saws.....	XVIII	3.0
234	Strips of wood for cornices, without use of mechanical saws.....	XIII	1.6
235	Canes, umbrellas, whips, and pipes, with use of mechanical saws (a).....	XVII	2.6
236	Canes, umbrellas, whips, and pipes, without use of mechanical saws (a).....	IX	1.0
237	Cooperage: Barrels, with machinery (a).....	XVIII	3.0
238	Barrels, without machinery (a).....	X	1.1
239	Horn, ivory, mother-of-pearl, amber, etc.: Horn, ivory, mother-of-pearl, bone, tortoise shell, manufacture of, with machinery.....	XIV	1.8
240	Same as above, without machinery.....	VIII	.9
241	Amber, coral, meerschaum, manufacture of, with machinery.....	V	.6
242	Amber, coral, meerschaum, manufacture of, without machinery.....	III	.4
243	Carpenters and cabinetmakers (performing work not included under any other subgroup): Carpenters and cabinetmakers, working with machinery (including circular saws).....	XXI	4.5
244	Same as above (exclusive of circular saws).....	XVIII	3.0
245	Carpenters and cabinetmakers, working without machinery.....	XIII	1.6
246	Carpenters and cabinetmakers, working on scaffolding or staging.....	XXI	4.5
247	Manufacture of venetian blinds, with power saws.....	XX	4.0
248	Manufacture of venetian blinds, without power saws.....	VI	.7
249	Shoe trees and wooden shoes, with power saws.....	XVIII	3.0
250	Shoe trees and wooden shoes, without power saws.....	X	1.1
251	Impregnation of wood (b).....	XIII	1.6
252	Carving, inlaid work, wood turning, and other delicate woodwork: Wood carvers and inlaid woodworkers.....	IX	1.0
253	Wood turners, using power saws.....	XVI	2.3
254	Wood turners, without power saws.....	XI	1.2
255	Wooden ware and wooden toys, with machinery.....	XV	2.0
256	Wooden ware and wooden toys, without machinery.....	XI	1.2
257	Crayons, pencil boxes, and similar office supplies.....	XII	1.4
258	Manufacture of match splints, with machinery.....	XV	2.0
259	Manufacture of match splints, without machinery.....	IX	1.0
260	Wooden sticks.....	XIV	1.8
261	Fans, with use of power saws.....	XV	2.0
262	Fans, without use of power saws.....	VIII	.9
263	Sawmills and wood planing: Wood sawing (lumber, firewood, hard-wood flooring, staves) with use of power saws, including circular saws.....	XXIII	5.5
264	Same as above, with use of power saws but exclusive of circular saws.....	XIX	3.5
265	Same as above, with use of handsaws.....	XV	2.0
266	Planing.....	XVIII	3.0

<sup>a</sup> Premium to be increased if use is made of circular saws.

<sup>b</sup> The premium may be modified according to the danger presented by the substances employed and the system of impregnation.



## CLASSIFICATION OF ENTERPRISES, INDUSTRIES, AND PROFESSIONS, BY DEGREE OF RISK; AND PREMIUM FOR EACH RISK CLASS—Continued.

Industry number.	Industry.	Risk class.	Annual premium rates in per cent of wages.
<b>WOODWORKING—concluded.</b>			
<b>Cork, wicker, and brushes:</b>			
267	Cork working.....	VIII	0.9
268	Manufactures of wicker.....	V	.6
269	Manufactures of rush products.....	VII	.8
270	Brushes, with woodworking.....	XVII	2.6
271	Brushes, without woodworking.....	VII	.8
272	Whisk brooms and paint brushes, with use of power.....	XVII	2.6
273	Whisk brooms and paint brushes, without use of power.....	VII	.8
<b>MACHINERY AND MECHANICAL WORK.</b>			
<b>Appliances for lighting, heating, electricity, and exact instruments in general:</b>			
274	Appliances for lighting, heating, hydraulic work, manufacture, and installation (a).....	XII	1.4
275	Appliances enumerated above, manufacture but without installation (b).....	IX	1.0
276	Scientific instruments and appliances (chemical, pharmaceutical, surgical, mathematical, physical, and optical), with machinery (c).....	XI	1.2
277	Same as above, without machinery (c).....	VII	.8
278	Scales, weights, and measures, with machinery (c).....	XI	1.2
279	Scales, weights, and measures, without machinery (c).....	VII	.8
280	Ordinary timepieces.....	V	.6
281	Tower clocks, manufacture and installation (d).....	X	1.1
<b>Firearms:</b>			
282	Ordinary firearms, with machinery (e).....	XV	2.0
283	Ordinary firearms, without machinery (e).....	XI	1.2
284	Artillery.....	XVIII	3.0
<b>Ship yards:</b>			
285	(a) Large establishments for construction of wooden and iron ships, including machine shops.....	XXV	7.5
286	(b) Construction of wooden ships and boats, with power saws.....	XXI	4.5
287	(c) Same as above, without power saws.....	XIX	3.5
288	(d) Construction of barges, boats, etc., with power saws.....	XVII	2.6
289	(e) As above, without power saws (the repair work, calking, etc., shall be assimilated, according to its importance and the mode and place of execution, to one of the preceding groups).....	XIII	1.6
290	Breaking up of wooden ships.....	XXIX	15.0
291	Breaking up of iron ships.....	XXXI	25.0
292	Dry docks, management (not including the repair of ships or any work on board ship).....	XV	2.0
<b>Carts and carriages:</b>			
293	Ordinary carts and carriages, with use of power saws.....	XVI	2.3
294	Ordinary carts and carriages, without use of power saws.....	XIII	1.6
295	Railroad and tramway cars.....	XVIII	3.0
<b>Musical instruments and accessories:</b>			
296	Musical instruments not otherwise specified in the tariff, with machinery.....	XII	1.4
297	Same as above, without machinery.....	VIII	.9
298	Organs, pianos, harmoniums, with use of power saws.....	XVI	2.3
299	Organs, pianos, harmoniums, without use of power saws.....	XI	1.2
300	Harmonicas, with machinery.....	XI	1.2
301	Harmonicas, without machinery.....	V	.6
302	Musical strings, catgut.....	IV	.5
303	Musical strings, metal.....	VII	.8
<b>Machines and machine shops in general:</b>			
304	Manufacture of boilers for industrial uses.....	XXI	4.5
305	Demolition of boilers for industrial uses.....	XXIII	5.5
306	Agricultural machinery.....	XVI	2.3
307	Construction and repair of grinding mills, with use of power saws.....	XIX	3.5
308	Construction and repair of grinding mills, without use of power saws.....	XVI	2.3
309	Automobiles (increase of premium if testing is included).....	XVI	2.3
310	Bicycles.....	XIV	1.8
311	Sewing machines and typewriters.....	XI	1.2
312	Pumps (with increase of premium if work in wood is included).....	XIV	1.8
313	Weaving looms and other implements for weaving.....	XIII	1.6
314	Grinders and assemblers of machinery.....	XIX	3.5

a If the work of installation is done upon the outside of buildings or on scaffoldings or if use is made of power or of foundry work the premium must be increased.

b If use is made of power or of foundry work the premium must be increased.

c Premiums are increased if use is made of power saws.

d The premium to be increased if it is combined with work outside of the towers.

e With increase of premium if it is combined with the charging of cartridges.

CLASSIFICATION OF ENTERPRISES, INDUSTRIES, AND PROFESSIONS, BY DEGREE OR RISK; AND PREMIUM FOR EACH RISK CLASS—Continued.

Industry number.	Industry.	Risk class.	Annual premium rates in per cent of wages.
<b>MACHINERY AND MECHANICAL WORK—concluded.</b>			
<b>Machine shops:</b>			
315	(a) For large construction.....	XVIII	3.0
316	(b) For small construction, with machinery (a).....	XVI	2.3
317	(c) For small construction, without machinery (a).....	XIII	1.6
318	(d) For repair, with machinery (a).....	XIII	1.6
319	(e) For repair, without machinery (a).....	X	1.1
<b>METALS.</b>			
<b>Iron and steel (manufacture, smelting, and early manufacturing processes):</b>			
320	Iron and steel foundries, large establishments.....	XXII	5.0
321	Iron and steel foundries, small establishments, with machinery.....	XVIII	3.0
322	Iron and steel foundries, small establishments, without machinery.....	XIII	1.6
323	Blacksmith shops.....	XIX	3.5
324	Forging hammers, large establishments.....	XIX	3.5
325	Forging hammers, small establishments.....	XVI	2.3
326	Iron and steel rolling.....	XIX	3.5
327	Iron and steel wire drawing, hot.....	XIX	3.5
<b>Various metals, exclusive of iron and steel (smelting and early manufacturing processes):</b>			
328	Smelting of various metals, large establishments.....	XV	2.0
329	Smelting of various metals, small establishments, with machinery.....	XIII	1.6
330	Smelting of various metals, small establishments, without machinery.....	X	1.1
331	Rolling of various metals, large establishments.....	XIII	1.6
332	Wire drawing, various metals, hot (exclusive of precious metals).....	XVIII	3.0
333	Wire drawing of precious metals.....	VI	.7
334	Manufacture of tin plate.....	XV	2.0
335	Gold beaters, with machinery.....	X	1.1
336	Gold beaters, without machinery.....	III	.4
337	Gold and silver plate.....	VIII	.9
338	Metal grinding.....	XIII	1.6
<b>Goldsmithing, silversmithing, jewelry:</b>			
339	Silversmithing, with machinery.....	X	1.1
340	Silversmithing, without machinery.....	III	.4
341	Goldsmithing and jewelry, with machinery.....	IV	.5
342	Goldsmithing and jewelry, without machinery.....	III	.4
<b>Implements and utensils, metal furniture and various articles:</b>			
343	Blacksmiths and locksmiths, working in iron and steel, not otherwise specified in the tariff, exclusive of smelting and for work performed in the shop, with machinery (b).....	XIV	1.8
344	Same as above, without machinery (b).....	VIII	.9
345	Same as above, working on scaffolding or staging (b).....	XIX	3.5
346	Knives, scythes, cutting arms, etc., with machinery.....	XIII	1.6
347	Knives, scythes, cutting arms, etc., without machinery.....	IX	1.0
348	Files, rasps, and saws.....	XIII	1.6
349	Metallic springs for vehicles or large machinery.....	XVI	2.3
350	Metallic springs of small size.....	XIII	1.6
351	Screws.....	XI	1.2
352	Horseshoers.....	XIX	3.5
353	Iron furniture and safes, with machinery.....	XIV	1.8
354	Iron furniture and safes, without machinery.....	IX	1.0
355	Tinsmiths, plumbers, and zinc workers, in the shop, with machinery.....	XVI	2.3
356	Tinsmiths, plumbers and zinc workers, in the shop, without machinery.....	XII	1.4
357	Working on roofs, staging, or scaffolding (b).....	XXIV	6.5
358	Brass working.....	XII	1.4
359	Coppersmith manufacturing, objects of home use.....	XIV	1.8
360	Metallic pens.....	X	1.1
361	Metal stamping and pressing, with machinery.....	XII	1.4
362	Metal stamping and pressing, without machinery.....	VI	.7
363	Cartridges, exclusive of charging.....	X	1.1
364	Metal novelties and jewelry, with machinery.....	XI	1.2
365	Metal novelties and jewelry, without machinery.....	VII	.8
366	Needles and pins.....	X	1.1
367	Screws and bolts.....	XIV	1.8
368	Nails, with machinery.....	XII	1.4
369	Nails, without machinery.....	X	1.1
370	Iron points.....	XII	1.4
371	Wire, metal rope, and cables.....	XII	1.4
372	Metal netting, including wire drawing.....	XVI	2.3

\* The premium may be increased for shops of small construction using factory work and for repairs done outside the machine shop.

† For mixed work, that is, such as is performed partly in the shop and partly on scaffolding, an intermediate premium proportionate to the importance of operations performed under the two different conditions of risk.

## CLASSIFICATION OF ENTERPRISES, INDUSTRIES, AND PROFESSIONS, BY DEGREE OF RISK; AND PREMIUM FOR EACH RISK CLASS—Continued.

Industry number.	Industry.	Risk class.	Annual premium rates in per cent of wages.
<b>METALS—concluded.</b>			
<b>Implements and utensils, metal furniture and various articles—Concluded.</b>			
373	Metal netting, exclusive of wire drawing.....	XI	1.2
374	Type for printing.....	IX	1.0
375	Metal turners.....	XVI	2.3
376	Metal chases.....	IV	.5
<b>Finishing of metal products:</b>			
377	Grinding and polishing metals, with machinery (a).....	XIV	1.8
378	Grinding and polishing metals, without machinery (a).....	VIII	.9
379	Silver plating, gold plating, nickel plating, and varnishing.....	IX	1.0
380	Enameling metals.....	XII	1.4
381	Electric plating.....	V	.6
<b>MINERALS. (b)</b>			
<b>Clay, gravel, and coloring earths:</b>			
382	Digging clay, gravel, sand, and coloring earths.....	XVIII	3.0
<b>Mineral fuels:</b>			
383	Hard and soft coal mines.....	XIX	3.5
384	Turf pits.....	XI	1.2
<b>Metals:</b>			
385	Metal mining, including smelting.....	XX	4.0
<b>Stones:</b>			
386	Stone quarries not mentioned in the tariff, with underground work.....	XXIII	5.5
387	Stone quarries not mentioned in the tariff, without underground work.....	XIX	3.5
388	Marble, granite, and porphyry, with inclined plane.....	XXIV	6.5
389	Marble, granite, and porphyry, without inclined plane.....	XXII	5.0
390	Lava, pozzolana, and tufa stone quarries.....	XXIV	6.5
<b>Sulphur:</b>			
391	Sulphur mining, including working up of the mineral.....	XXIV	6.5
<b>Various minerals:</b>			
392	Asbestos mining.....	XXII	5.0
393	Asphalt mining (asphaltic, bituminous rock).....	XXII	5.0
394	Graphite mining.....	XVIII	3.0
395	Mica and barytes and magnesite quarries.....	XX	4.0
396	Petroleum mining.....	XVIII	3.0
397	Rock salt mining.....	XIX	3.5
398	Salt works.....	IX	1.0
399	Ice cutting.....	XIX	3.5
<b>Working up of the products of mining: (c)</b>			
400	Blast furnaces.....	XXI	4.5
401	Limekiln, cement, and gypsum ovens, including grinding mills.....	XVII	2.6
402	Limekiln, cement, and gypsum ovens, without grinding mills.....	XI	1.2
403	Sulphur refining, sublimation, and grinding.....	XVI	2.3
404	Gravel, machine crushing.....	XIX	3.5
405	Gravel, hand crushing.....	XXIII	5.5
406	Manufacture of emery.....	XII	1.4
407	Crushing of stones and earths.....	XVII	2.6
408	Chiselers, working upon scaffolding or staging.....	XX	4.0
409	Chiselers, not working on scaffolding or staging.....	XVIII	3.0
410	Sculptors and marble-cutters, working on scaffolding or staging.....	XVIII	3.0
411	Sculptors and marble-cutters, working in shops.....	XIV	1.8
412	Sawing and mechanical working up of marble and other stones.....	XVII	2.6
413	Millstones and grindstones.....	XVII	2.6
414	Slate and lava working.....	XII	1.4
415	Precious stone working.....	XIII	1.6

a The premium to be increased if use is made of large and rapid grinding machines.

b For the classes comprised under the first to the sixth subgroups, inclusive, the premium may be increased if the condition of work was unfavorable; that is: First, sliding of the material and danger that several persons might be crushed at once; second, frequent use of explosives; third, excavations not continued according to the regulations of the trade; fourth, large size, great depth or activity of the mines or quarries; fifth, dangerous methods of transportation or use of mechanical tools; sixth, production of deleterious or explosive gases. The premium may be reduced if the working up of the material (the crushing of gravel, roasting and pulverizing ores, sawing stones, refining, etc.), is insured at the same time with the mines or quarries, unless these processes have already been included under the different classes. Still greater reduction may be granted if the work is performed by hand or in several places. The premium may also be reduced when the extraction of the ore takes place at such a slight depth that the entire danger of falling materials is excluded or if no use is made of explosives or of animal or mechanical traction.

c Extraction of the metal, roasting, smelting, and washing of minerals, when executed in independent establishments.

## CLASSIFICATION OF ENTERPRISES, INDUSTRIES, AND PROFESSIONS, BY DEGREE OF RISK; AND PREMIUM FOR EACH RISK CLASS—Continued.

Industry number.	Industry.	Risk class.	Annual premium rates in per cent of wages.
<b>TEXTILES.</b>			
	Spinning and operation preparatory and accessory thereto: (a)		
416	Mechanical washing of the wool.....	VI	0.7
417	Wool and cotton carding.....	VII	.8
418	Artificial wool.....	XI	1.2
419	Combing of hemp, wool, and flax (premium to be reduced if the work is done by hand).....	VI	.7
420	Silk spinning.....	II	.3
421	Spinning, exclusive of silk or waste but comprising preparatory accessory processes.....	VII	.8
422	Silk waste working.....	VIII	.9
423	Other textile waste working (exclusive of silk).....	X	1.1
424	Yarn twisting in general.....	III	.4
425	Yarn twisting, with machinery.....	IX	1.0
426	Yarn twisting, without machinery.....	IV	.5
	Weaving and preparatory processes, not including spinning:		
427	Machine weaving (b).....	V	.6
428	Hand weaving (b).....	II	.3
	Preparation of yarn and tissues:		
429	Preparation of the yarn or tissues (bleaching, finishing, shearing, carding, fulling, etc., exclusive of dyeing or printing), with machinery.....	IX	1.0
430	Same as above, without machinery.....	III	.4
431	Printing of cloth.....	IV	.5
432	Dyeing of yarn or cloth, with machinery.....	VII	.8
433	Dyeing of yarn or cloth, without machinery.....	III	.4
	Tissues in general and other woven articles (the processes united):		
434	Manufactures of hemp, jute, and flax.....	IX	1.0
435	Cotton manufactures.....	X	1.1
436	Manufactures of wool and of animal hair weaving.....	VII	.8
437	Silk manufactures.....	IV	.5
438	Manufactures of knit goods, lace, ribbons, passementerie, and similar articles.....	IV	.5
<b>TRANSPORTATION.</b>			
	Porters, elevators, cranes, etc.:		
439	Loading and unloading of ships and ferrying.....	XXIV	6.5
440	Porters at seaports.....	XX	4.0
441	Porters in other places (c).....	XVII	2.6
442	Street messengers.....	XIII	1.6
443	Storehouses in general, the entire personnel, including the use of mechanical appliances.....	XVIII	3.0
444	Same as above, without use of mechanical appliances.....	XVI	2.3
445	Packing, without transportation.....	XII	1.4
446	Operating elevators, windlasses, cranes, and other mechanical appliances for lifting.....	XXI	4.5
	Railroads:		
447	Personnel of the repair shops.....	XV	2.0
448	General administration and management of the stations.....	XI	1.2
449	Traction and maneuvering.....	XIX	3.5
450	Train service.....	XVII	2.6
451	Common laborers.....	XVII	2.6
452	Miscellaneous employees.....	XV	2.5
	Tramways:		
453	Horse cars, the entire personnel.....	XVI	2.3
454	Steam cars, the entire personnel.....	XV	2.0
455	Steam cars, train service.....	XVII	2.6
456	Electric tramways, car employees.....	XVI	2.3
	Transportation in carts, carriages, etc., and telephones:		
457	Heavy carts (for construction material, coal, lumber, furniture, boxes, animals, etc.).....	XXIII	5.5
458	Light carts (carts for merchandise of small weight and volume, carts on springs, etc.).....	XVIII	3.0
459	Transportation firms, the entire personnel.....	XXI	4.5
460	Carriages and omnibuses, in the mountains.....	XX	4.0
461	Carriages and omnibuses, in the plains.....	XVI	2.3
462	Funeral processions.....	IX	1.0
463	Automobiles, chauffeur.....	XXVI	9.0

a The processes mentioned in this subgroup of textiles which do not bear the designation with or without machinery are mechanical processes altogether or partly. If, however, they are entirely performed by hand the indicated premium may be reduced.

b The premium may be modified if, on account of the nature of the material used or the article manufactured, there is evidently a variation from the average risk.

c The premium may be reduced if transportation is accomplished without mechanical appliances, without animal traction or in general in case of light articles of small bulk not offering any special danger.

## CLASSIFICATION OF ENTERPRISES, INDUSTRIES, AND PROFESSIONS, BY DEGREE OF RISK; AND PREMIUM FOR EACH RISK CLASS—Continued.

Industry number.	Industry.	Risk class.	Annual premium rates in per cent of wages.
TRANSPORTATION—concluded.			
Transportation in carts, carriages, etc., and telephones—Concluded.			
464	Hand wagons on rails.....	XXII	5.0
465	Forest roads.....	XX	4.0
466	Inclined planes.....	XXVII	10.6
467	Telephones.....	XX	4.0
Transportation on rivers and lakes:			
468	Sailing vessels on lakes, rivers, and lagoons, including the entire crew...	XIX	3.5
469	Steam vessels as above.....	XVII	2.6
470	Barges and fishing vessels on lakes, rivers, and lagoons.....	XVIII	3.0
471	Rafts, and floats on lakes, rivers, and lagoons.....	XVIII	3.0
Deep sea transportation. (a)			
CLOTHING.			
Clothing, furs, lingerie, corsets, etc.:			
472	Dealers, with machinery.....	VI	.7
473	Dealers, without machinery.....	I	.25
474	Lingerie, with machinery.....	VI	.7
475	Lingerie, without machinery.....	I	.25
476	Corsets, with machinery.....	IV	.5
477	Corsets, without machinery.....	I	.25
478	Buttons of cloth or thread, with machinery.....	VIII	.9
479	Buttons of cloth or thread, without machinery.....	I	.25
480	Mattresses.....	VI	.7
Hats:			
481	Felt hats, with machinery.....	IV	.5
482	Felt hats, without machinery.....	II	.3
483	Straw hats, with machinery.....	IV	.5
484	Straw hats, without machinery.....	II	.3
485	Beretta, with machinery.....	IV	.5
486	Beretta, without machinery.....	I	.25
Millinery, plumes, and artificial flowers:			
487	Millinery.....	I	.25
488	Artificial flowers.....	II	.3
489	Plumes.....	III	.4
Washing, ironing, and cleaning:			
490	Laundries, with machinery.....	XII	1.4
491	Laundries, without machinery.....	IV	.5
492	Cleaning.....	VII	.8
493	Ironing.....	IV	.5
MISCELLANEOUS.			
Retail trade:			
494	Wine, selling at retail (exclusive of manufacture or transportation).....	V	.6
495	Drug stores.....	VIII	.9
496	Butcher shops.....	XII	1.4
497	Retail selling, of classes not otherwise mentioned in the tariff.....	II	.3
Guards, guides, and firemen:			
498	Forest and field watchmen.....	XI	1.2
499	Night watchmen.....	XI	1.2
500	City watchmen.....	XIV	1.8
501	Watchmen, in customs service in cities.....	IX	1.0
502	Watchmen, in customs service out of town.....	XX	4.0
503	Guards of tax officers.....	XV	2.0
504	Hunting guards.....	XIV	1.8
505	Alpine guards and porters.....	XIX	3.5
506	Regular firemen.....	XIV	1.8
Personnel of service in general: (b)			
507	Hotels, the night service.....	XI	1.2
508	Domestic servants, male.....	VI	.7
509	Sea bathing establishments.....	XII	1.4
510	Other bath establishments.....	VI	.7
511	Hospitals, the entire personnel.....	XI	1.2
512	Hospitals for the insane, the night personnel.....	XVII	2.6
513	Theaters, the night personnel, including machinists.....	XIV	1.8
514	Domestic servants, female, and porters.....	VIII	.9
515	Carriers.....	VIII	.9
516	Employees in general.....	I	.25

<sup>a</sup> For deep sea transportation a special tariff applies which has not yet been approved.

<sup>b</sup> The personnel of service included here must not be occupied at anything but hand work; if persons handling machinery (elevators, all kinds of motors, steam heating plants, etc.) are included, the premium must be increased correspondingly.

## CLASSIFICATION OF ENTERPRISES, INDUSTRIES, AND PROFESSIONS, BY DEGREE OF RISK; AND PREMIUM FOR EACH RISK CLASS—Concluded.

Industry number.	Industry.	Risk class.	Annual premium rates in per cent of wages.
<b>MISCELLANEOUS—concluded.</b>			
Various professions not included in the other subgroups:			
517	Lamp lighters, including those working on ladders.....	IX	1.0
518	Bill posters, including those working on ladders.....	XI	1.2
519	Grave diggers.....	IX	1.0
520	Shooting galleries, the entire personnel.....	XXI	4.5
521	Hunters.....	XVII	2.6
522	Boiler scraping.....	XXIV	6.5
523	Engineers and firemen of stationary or movable steam engines (a).....	XIX	3.5
524	Barbers and hairdressers.....	IV	.5
525	Water heating, steam heating, and hot-air heating.....	X	1.1
526	Chimney sweepers.....	XV	2.0
527	Sterilizing and disinfecting establishments.....	XV	2.0
528	Carpet beating.....	IX	1.0
<b>APPENDIX. (b)</b>			
Tariff of premiums for combined collective insurance of seamen (not subject to the special provisions of the law of January 31, 1904, concerning deep-sea navigation:			
529	Crew of harbor and short-distance tugs.....	XVII	2.6
530	Pilots in harbors and for short distances on steamers and sailing vessels..	XIII	1.6
531	Crew on barges and ferryboats in harbors and for short distances.....	XXIV	6.5

a This rate should be used when the tariff does not determine the conditions of work of the motors or if it is impossible to tell in advance the kind of machine at which the insured will be employed.

b From Bollettino di Notizie sul Credito e sulla Previdenza, 1905.

## ADMINISTRATION.

The institution is autonomous, although subject to government control. The central office of the institution is located in the Milan savings bank, the largest of the ten banking institutions which have entered into the agreement. The executive committee of the Milan bank acts also as the executive committee of the national insurance institution. It must meet weekly, and oftener if necessary, and administers all the current business of the insurance institution, supervising the work of the executive force. It studies the necessary premium changes, prepares the annual statements and every five years the technical statements, conducts the agitation among the employers and workmen for insurance of workmen, studies methods of accident prevention, etc. All the other banks which have signed the agreements act as local agents of the insurance institution, and these local officers are under the control of the executive committee, while the work of this committee and the general policy of the national insurance institution is supervised by a superior council constituted as follows: The president, vice-president, and five members of the executive committee, and one representative from each of the other nine banks. This council must meet semiannually, and oftener if necessary. It approves the premium and indemnity rates, approves the annual budget and the statement, controls and revises the action of executive offices, may order audits, etc.



The law of December 23, 1886, provided a method for introducing changes in the conditions of the agreement. According to the law the superior council may recommend to the Government such changes in the conditions as experience shall prove desirable, and these recommendations may be approved by royal decrees (administrative acts).

#### STATISTICS OF OPERATIONS.

A record of the operation of the National Accident Insurance Institution for the entire period is quoted in the following table, showing the total number of policies issued and the number of persons insured each year from the beginning of the organization of the institution. This table shows the growth of the transactions, though not altogether accurately. The number of policies issued and the number of persons insured is excessive for the years 1898 and 1904. During 1898 the first compensation act went into effect, and during 1904 the amendments of 1903, and in both years many policies were written twice, first for a short time under the old conditions, and then again to comply with the new requirements, which explains the very large number of policies issued during these two years.

#### NUMBER AND KIND OF POLICIES ISSUED AND NUMBER OF PERSONS INSURED EACH YEAR BY THE NATIONAL ACCIDENT INSURANCE INSTITUTION, 1884 TO 1907.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, 1902 to 1908. Atti della Cassa Nazionale d'Assicurazione per gli Infortuni degli Operai sul Lavoro, 1908 and 1909.]

Year.	Indi- vidual insur- ance: Persons insured.	Collective insurance.						Total.	
		Simple.			Combined.				
		Policies issued.	Persons insured.	Average number insured per policy.	Policies issued.	Persons insured.	Average number insured per policy.	Policies issued.	Persons insured.
1884....	42	6	306	51.0	2	95	47.5	50	443
1885....	304	28	2,382	85.1	53	10,521	198.5	385	13,207
1886....	532	76	6,687	88.0	228	26,487	111.8	836	32,706
1887....	1,058	62	4,103	66.2	259	34,370	132.7	1,379	39,531
1888....	1,192	75	4,018	53.6	359	48,202	134.3	1,626	53,412
1889....	1,292	82	4,191	51.1	538	78,304	145.6	1,912	83,787
1890....	2,056	118	4,977	44.0	749	93,797	125.2	2,918	100,830
1891....	1,904	101	5,516	54.6	905	106,503	117.7	2,910	113,923
1892....	1,947	100	6,047	60.5	997	111,122	111.5	3,044	119,116
1893....	1,922	105	11,762	112.0	1,142	117,052	102.5	3,169	130,736
1894....	2,105	141	11,358	80.6	1,247	121,536	97.5	3,493	134,999
1895....	2,472	187	12,282	65.7	1,464	138,879	94.9	4,123	153,633
1896....	2,540	190	16,803	88.4	1,670	148,569	89.0	4,400	167,912
1897....	2,777	250	15,318	61.3	1,843	154,774	84.0	4,870	172,869
1898 (a)....	2,710	337	20,287	60.2	3,976	272,825	68.6	7,023	295,822
1899....	2,274	201	6,665	33.2	3,823	107,325	28.1	6,298	116,264
1900....	2,452	296	8,169	27.6	5,493	207,464	37.8	8,241	218,085
1901....	2,669	443	9,917	22.4	8,880	298,383	33.6	11,992	310,969
1902....	3,029	378	10,305	27.3	14,607	392,027	26.8	18,014	406,361
1903....	3,082	463	10,718	23.2	17,927	444,739	24.8	21,472	458,539
1904 (a)....	3,379	(b)	(b)	.....	c 39,505	c 972,868	c 24.6	42,884	976,247
1905....	3,409	(b)	(b)	.....	c 27,136	c 537,441	c 19.8	30,545	540,850
1906....	3,460	(b)	(b)	.....	c 32,027	c 642,154	c 20.1	35,487	645,614
1907....	3,811	(b)	(b)	.....	c 33,151	c 644,870	c 19.5	36,962	648,681

a The large number of policies issued in this year is explained by the fact that policies were issued twice during the year, first before the new regulations went into effect, and then for the rest of the year.

b Included in combined collective insurance.

c Including simple collective insurance.

The actual increase in the number of wage-workers insured is shown in the second column of the following table, giving the average number of persons insured throughout the year. The difference between the number of persons insured during the year, as shown on page 1770, and the average number insured throughout the year indicates that a considerable number of persons were insured for only a short time. The highest number was reached in 1903, after which the formation of the Sulphur Mine Employees Obligatory Insurance Association caused a considerable reduction in the average number of persons insured throughout the year in the National Accident Insurance Institution.

This table shows the increase in the number of accidents. The column giving the annual number of accidents per 1,000 persons insured shows a very rapid increase in the frequency of accidents, which has caused a very strong outcry against the fraudulent practice and malingering, discussed more fully in a subsequent section.

The rapid increase of the accident rate from 28.48 per thousand in 1886 to 41.22 in 1887 and 61.41 in 1888 is explained by the inclusion (by the decree of July 27, 1887) of all accidents causing disability of over five days, while previously benefits were paid only for injuries causing disability of over 30 days' duration; and, as is well established by the accident statistics of all countries, a very large proportion of accidents caused disability of less than one month.

The accident rate seems to have remained fairly uniform for about eight years (1888 to 1895), since which it has grown rapidly with the exception of 1899. The increase was especially great in 1904 as compared with the preceding year, the rate rising from 107.41 to 143.08, or fully one-third. The increase since 1895 is seen to have taken place mainly in the accidents which did not result in death, for the death ratio has not increased, but rather declined. A comparison of the totals for the three periods, the one before the enactment of the law (1888 to 1898), the period of the first law of 1898 (1899 to 1903), and of the amended law (1904 to 1906), brings out more forcibly the rapid increase in the accident rate.

NUMBER AND PER CENT OF ACCIDENTS TO PERSONS INSURED IN THE NATIONAL ACCIDENT INSURANCE INSTITUTION AND ACCIDENT RATES, BY RESULT OF INJURY, 1884 TO 1906.

[Source: Atti della Cassa Nazionale d'Assicurazione per gli Infortuni degli Operai sul Lavoro. Verbale della Seduta del 22 dicembre 1908. On September 30, 1908, there remained unsettled 3 cases of 1900; 1 of 1901; 7 of 1902; 56 of 1903; 127 of 1904; 90 of 1905, and 738 of 1906. These numbers are not included in the figures reported for the respective years.]

Year.	Average number of persons insured throughout the year.	Number of accidents resulting in—			Total number of accidents.	Number of accidents per 1,000 insured resulting in—			Number of all accidents per 1,000 insured.	Per cent of accidents resulting in—		
		Death.	Perma- nent disa- bility.	Tem- po- rary disa- bility.		Death.	Per- ma- nent disa- bility.	Tem- po- rary disa- bility.		Death.	Per- ma- nent disa- bility.	Tem- po- rary disa- bility.
1884.....	67											
1885.....	6,556	2	19	49	70	0.31	2.90	7.47	10.68	2.85	27.14	70.00
1886.....	24,440	91	67	538	696	3.72	2.74	22.02	28.48	13.07	9.63	77.30
1887.....	36,992	47	104	1,374	1,525	1.27	2.81	37.14	41.22	3.08	6.82	90.10
1888.....	58,023	62	108	3,393	3,563	1.07	1.86	58.48	61.41	1.74	3.03	95.23
1889.....	77,876	65	133	4,695	4,893	.83	1.71	60.29	62.83	1.33	2.72	95.95
1890.....	94,507	101	153	5,249	5,503	1.07	1.62	55.54	58.23	1.84	2.78	95.38
1891.....	103,238	84	203	5,636	5,923	.81	1.97	54.59	57.37	1.42	3.43	95.15
1892.....	109,253	89	211	5,720	6,020	.81	1.93	52.36	55.10	1.48	3.50	95.02
1893.....	118,133	96	247	6,977	7,320	.81	2.09	59.06	61.96	1.31	3.37	95.32
1894.....	125,119	82	299	7,610	7,991	.66	2.39	60.82	63.87	1.03	3.74	95.23
1895.....	138,192	113	336	8,338	8,787	.82	2.43	60.34	63.59	1.29	3.82	94.89
1896.....	146,696	99	366	9,804	10,269	.67	2.49	66.84	70.00	.95	3.57	95.48
1897.....	158,214	174	431	11,999	12,604	1.10	2.72	75.84	79.66	1.38	3.42	95.20
1898.....	160,772	145	390	12,019	12,554	.90	2.42	74.76	78.08	1.15	3.11	95.74
1899.....	178,439	158	406	10,908	11,472	.88	2.28	61.13	64.29	1.38	3.54	95.08
1900.....	202,355	159	646	14,920	15,725	.78	3.19	73.73	77.70	1.01	4.11	94.88
1901.....	245,501	298	956	21,420	22,674	1.21	3.90	87.25	92.36	1.31	4.22	94.47
1902.....	340,256	339	1,554	31,561	33,454	1.00	4.57	92.75	98.32	1.01	4.65	94.34
1903.....	421,363	399	2,372	42,489	45,260	.94	5.63	100.84	107.41	.88	5.24	93.88
1904.....	370,198	353	2,037	50,579	52,969	.95	5.50	136.63	143.08	.67	3.84	95.49
1905.....	373,570	307	2,005	51,914	54,226	.82	5.37	138.97	145.16	.57	3.70	95.73
1906.....	406,183	334	2,844	62,064	65,242	.82	7.00	152.80	160.62	.51	4.36	95.13
1888 to 1898....	1,290,023	1,110	2,877	81,440	85,427	.86	2.23	63.13	66.22	1.30	3.37	95.33
1899 to 1903....	1,387,914	1,353	5,934	121,298	128,585	.97	4.28	87.40	92.65	1.06	4.62	94.33
1904 to 1906....	1,149,951	994	6,886	164,557	172,437	.86	5.99	143.10	149.95	.57	4.00	95.43

In addition to the increase of accidents there was also an increase in the average amount of compensation. In the following table the figures do not refer to the amount of compensation paid during any one year, but the amount paid in compensation for accidents occurring during the year. Such a method of presentation is much more accurate and valuable, though it causes considerable delay, as the figures for the last five or six years are always subject to correction because some claims remain unsettled for several years. The marked increase of the average amount of compensation per case from \$9.92 in 1898 to \$17.93 in 1899 shows the effects of the act of 1898, which regulated the amounts of compensation and increased it for both the fatal cases and those leading to permanent disability. Under the voluntary system the average amount paid for a fatal accident fluctuated between \$140.17 and \$243.74; under the law of 1898 it immediately increased to \$548.02, and in 1905 was \$570.69. In cases of permanent disability the average amount of compensation under the voluntary system was under 500 lire (\$96.50), and immediately after the passing of the law of 1898 increased to nearly 1,000 lire (\$193).

TOTAL AND AVERAGE AMOUNT OF COMPENSATION PAID BY THE NATIONAL ACCIDENT INSURANCE INSTITUTION FOR ACCIDENTS OCCURRING IN EACH YEAR, BY RESULT OF INJURY. 1885 TO 1906.

[Source: Atti della Cassa Nazionale d' Assicurazione per gl' Infortuni degli Operai sul Lavoro. Verbale della Seduta del 22 dicembre 1908. Milano, 1909.]

Year.	Compensation paid out for accidents resulting in—						Total for all accidents.	Average compensation paid in case of—			
	Death.		Permanent disability.		Temporary disability.			Death.	Permanent disability.	Temporary disability.	All accidents.
	Amount.	Per cent of total.	Amount.	Per cent of total.	Amount.	Per cent of total.					
1885.....	\$280	17.73	\$1,173	74.20	\$128	8.07	\$1,581	\$140.17	\$61.75	\$2.60	\$22.59
1886.....	15,556	68.68	4,715	20.82	2,379	10.50	22,650	170.95	70.38	4.42	32.54
1887.....	9,937	41.18	8,003	33.17	6,190	25.65	24,130	211.43	76.95	4.50	15.82
1888.....	11,233	30.78	9,684	26.54	15,577	42.68	36,494	181.18	89.67	4.59	10.24
1889.....	11,201	25.00	11,400	25.45	22,203	49.55	44,804	172.32	85.72	4.73	9.16
1890.....	19,019	30.10	16,204	25.64	27,971	44.26	63,194	188.31	105.91	5.33	11.48
1891.....	17,606	27.01	18,814	28.86	28,769	44.13	65,189	209.60	92.68	5.10	11.01
1892.....	17,123	24.75	22,260	32.17	29,808	43.08	69,191	192.39	105.50	5.21	11.49
1893.....	19,983	26.67	21,081	28.13	33,865	45.20	74,929	208.16	85.35	4.85	10.24
1894.....	19,391	22.69	28,375	33.20	37,699	44.11	85,465	236.48	94.90	4.95	10.69
1895.....	27,542	29.25	29,458	31.29	37,159	39.46	94,159	243.74	87.67	4.46	10.72
1896.....	21,809	22.19	33,015	33.60	43,437	44.21	98,261	220.30	90.21	4.43	9.57
1897.....	38,967	29.85	37,590	28.79	53,968	41.36	130,545	223.95	87.22	4.50	10.36
1898.....	32,317	25.95	36,593	29.44	55,549	44.61	124,459	222.88	93.98	4.62	9.92
1899.....	86,587	42.09	76,553	37.21	42,572	20.70	205,712	548.02	188.55	3.90	17.93
1900.....	91,261	33.76	120,201	44.47	58,831	21.77	270,293	573.97	186.07	3.94	17.19
1901.....	177,573	40.23	176,052	39.89	87,763	19.88	441,388	595.88	184.15	4.10	19.47
1902.....	211,176	32.74	297,286	46.09	136,543	21.17	645,005	622.94	191.30	4.33	19.28
1903.....	255,952	28.67	455,587	51.04	181,096	20.29	892,635	641.48	192.07	4.26	19.72
1904.....	209,878	22.66	487,155	52.60	229,073	24.74	926,106	594.55	239.15	4.53	17.48
1905.....	175,201	21.29	430,690	52.34	216,981	26.37	822,872	570.69	214.81	4.18	15.18
1906.....	186,026	18.77	553,959	55.88	251,321	25.35	991,306	556.96	194.78	4.05	15.19
1885 to 1898..	226,192	26.64	264,474	29.83	386,025	43.53	886,691	212.79	91.95	4.74	10.38
1899 to 1903..	822,126	33.49	1,126,100	45.87	506,806	20.64	2,455,032	607.63	189.77	4.18	19.11
1904 to 1906..	571,105	20.84	1,471,804	53.71	697,375	25.45	2,740,284	573.00	213.74	4.24	15.89

Small as the amounts of compensation are, especially when judged by American standards, they are nevertheless considerable when compared with the Italian wages.

The total amount of compensation as stated in the last table does not include the payments under contract for insurance of employers' liability. The following table gives the total amount of employers' liability payments and the proportion these payments constituted of the entire compensation payments. The fluctuations from year to year are naturally very great, but the very marked decrease in such payments since 1898, when the compulsory accident insurance law was passed, is very significant. As appears from the table on page 1770, the vast majority of policies issued are of the combined collective class—that is, they include the insurance of employers' liability—but according to the law such liability arises under conditions of criminal fault only, and is evidently not very frequently resorted to.

**PROPORTION BETWEEN EMPLOYERS' LIABILITY PAYMENTS AND TOTAL AMOUNT  
OF INDEMNITY PAID, 1884 TO 1906.**

[Source: Atti della Cassa Nazionale d' Assicurazione per gl' Infortuni degli Operai sul Lavoro. Verbale della Seduta del 22 dicembre 1906 del Consiglio Superiore e Bilancio Consuntivo del 1907. Milano, 1909.]

Year.	Total indemnity paid (including liability payments).	Employers' liability payments.		Year.	Total indemnity paid (including liability payments).	Employers' liability payments.	
		Amount.	Per cent of total indemnity.			Amount.	Per cent of total indemnity.
1884.....				1897.....	\$134,040	\$3,504	2.61
1885.....	\$1,581			1898.....	128,521	4,062	3.16
1886.....	38,550	\$15,899	41.24	1899.....	207,473	1,761	.85
1887.....	25,270	1,139	4.51	1900.....	271,881	1,588	.58
1888.....	37,194	700	1.88	1901.....	444,341	2,953	.66
1889.....	45,351	546	1.20	1902.....	656,432	11,427	1.74
1890.....	64,040	846	1.32	1903.....	901,116	8,481	.94
1891.....	73,136	7,947	10.87	1904.....	930,438	4,332	.47
1892.....	71,719	2,528	3.52	1905.....	824,580	1,718	.21
1893.....	79,874	4,945	6.19	1906.....	991,407	101	.01
1894.....	88,749	3,284	3.70				
1895.....	100,623	6,464	6.42	1884 to 1898.....	990,823	55,769	5.63
1896.....	102,166	3,905	3.82	1899 to 1906.....	5,227,677	32,361	.62

The general results of the operation of this institution in the separate industrial groups to which the insured belong are shown in the following three tables for a period of four years, 1899 to 1902. By thus combining the data for a number of years larger numbers are obtained and the averages and proportions are more trustworthy than for a single year. The data for individual insurance are not included in these tables.

One of the most interesting things brought out by the following table is the proportion between the premiums and the wage expense in the various industrial branches. The lowest relative cost is found in the textile industry, only 0.47 of 1 per cent of the wage expense being paid as premiums. The highest, nearly 3 per cent, is quite unexpectedly found in agriculture. This is easily explained, however, by the fact that only persons tending agricultural machinery are subject by the law to compulsory insurance. With this exception, mining shows the highest percentage, followed by construction. Among the industries showing a low relative cost are found clothing, paper and printing, brick, earthen and glass ware, and even transportation (which does not include many railroad employees, as these are protected mainly by the railroad mutual funds).

The proportion between indemnity paid and premiums collected shows very interesting fluctuations. It demonstrates that the actual cost of accidents often varies considerably from the expected cost. Thus in the brick and china manufacturing industry and in mining the actual cost was very much higher than the expected cost as represented by the premium charged, while in the paper and printing industry it was only about two-fifths of what was expected; in clothing and in textiles it was about seven-tenths.

## COMPARISON OF WAGES, INDEMNITY, AND PREMIUMS UNDER THE COLLECTIVE ACCIDENT INSURANCE OF THE NATIONAL ACCIDENT INSURANCE INSTITUTION, BY INDUSTRIES, 1899 TO 1902.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, May, 1907.]

Industry.	Annual wages paid.	Indemnity insured for—		Premiums received.		Indemnity paid.		
		Death and permanent disability.	Temporary disability.	Amount.	Per cent of wages paid.	Amount.	Per cent of wages paid.	Per cent of premiums.
Agriculture.....	\$1,131,768	\$5,093,532	\$553,306	\$32,508	2.87	\$28,077	2.48	86.37
Brick, earthen and glass ware.....	2,411,757	12,058,783	1,211,775	17,651	.73	23,631	.98	133.88
Building and construction.....	28,123,573	140,561,472	14,146,474	552,851	1.97	512,763	1.82	92.75
Chemicals, etc.....	7,139,843	35,688,165	3,617,479	88,168	1.23	67,832	.95	76.93
Clothing.....	206,600	1,082,999	103,300	1,042	.50	718	.35	68.91
Electricity.....	1,346,248	6,731,239	701,187	18,167	1.35	15,822	1.18	87.09
Food, oil, and tobacco....	3,301,663	16,483,644	1,705,348	37,583	1.14	30,719	.93	81.74
Machinery.....	7,021,850	35,084,587	3,569,121	94,750	1.35	89,321	1.27	94.27
Metal working.....	5,281,854	26,327,880	2,707,654	58,888	1.11	59,303	1.12	100.70
Mining.....	15,252,900	76,223,010	8,165,581	359,656	2.35	444,577	2.91	123.61
Paper, printing, etc.....	2,552,776	12,750,410	1,356,724	15,671	.61	6,559	.26	41.85
Textiles.....	8,004,213	40,017,484	4,225,617	37,702	.47	27,130	.34	71.96
Transportation.....	17,089,850	84,198,270	8,507,301	166,009	.97	179,050	1.05	107.86
Woodworking.....	1,877,770	9,380,782	990,708	26,816	1.43	22,572	1.20	84.17
Other industries.....	2,493,625	5,494,412	848,242	13,333	.53	8,278	.33	62.09
Total.....	103,236,290	507,126,669	52,409,817	1,520,795	1.47	1,516,352	1.47	99.71

In the next table the results of the accidents occurring under the collective accident insurance of the National Accident Insurance Institution during the four-year period, 1899 to 1902, are shown by industries.

## RESULTS OF ACCIDENTS OCCURRING UNDER THE COLLECTIVE ACCIDENT INSURANCE OF THE NATIONAL ACCIDENT INSURANCE INSTITUTION, BY INDUSTRIES, 1899 TO 1902.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, May, 1907.]

Industry.	Accidents resulting in—						All accidents.	
	Death.		Permanent disability.		Temporary disability.			
	Num-ber.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
Agriculture.....	15	1.69	61	6.88	811	91.43	887	1.08
Brick, earthen and glass ware.....	3	.19	85	5.29	1,517	94.52	1,605	1.95
Building and construction....	337	1.44	1,069	4.65	21,979	93.91	23,405	28.49
Chemicals, etc.....	44	.99	113	2.54	4,295	96.47	4,452	5.42
Clothing.....	7	.95	4	15.38	22	84.62	26	.03
Electricity.....	10	.61	34	4.64	692	94.41	733	.89
Food, oil, and tobacco.....	17	.21	103	6.23	1,540	93.16	1,653	2.01
Machinery.....	15	.28	314	3.79	7,946	96.00	8,277	10.08
Metal working.....	330	1.68	196	3.68	5,111	96.04	5,322	6.48
Mining.....	1	.15	781	3.98	18,498	94.34	19,609	23.87
Paper, printing, etc.....	10	.41	50	7.34	630	92.51	681	.83
Textiles.....	122	1.12	140	5.82	2,256	93.77	2,406	2.93
Transportation.....	10	.60	373	3.43	10,389	95.45	10,884	13.25
Woodworking.....	9	1.66	108	6.49	1,547	91.91	1,665	2.03
Other industries.....			10	1.85	523	96.49	542	.66
Total.....	930	1.13	3,461	4.21	77,756	94.66	82,147	100.00



The following table shows, by industries and results of accidents, the indemnity paid during the four-year period, 1899 to 1902, to persons insured under the collective accident insurance of the National Accident Insurance Institution:

**TOTAL AND AVERAGE PER CASE OF INDEMNITY PAID UNDER THE COLLECTIVE ACCIDENT INSURANCE OF THE NATIONAL ACCIDENT INSURANCE INSTITUTION, BY INDUSTRIES AND RESULT OF INJURY, 1899 TO 1902.**

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, May, 1907.]

Industry.	Indemnity paid for accidents resulting in—							
	Death.		Permanent disability.		Temporary disability.		All accidents.	
	Amount.	Average per case.	Amount.	Average per case.	Amount.	Average per case.	Amount.	Average per case.
Agriculture.....	\$6,152	\$410	\$16,915	\$277	\$5,010	\$6.18	\$28,077	\$31.66
Brick, earthen and glass ware.	1,737	579	17,021	200	4,873	3.21	23,631	14.72
Building and construction...	204,534	607	212,602	195	95,627	4.35	512,763	21.91
Chemicals, etc.....	26,839	610	23,532	208	17,461	4.07	67,832	15.24
Clothing.....			627	157	91	4.14	718	27.62
Electricity.....	6,426	918	6,699	197	2,697	3.90	15,822	21.59
Food, oil, and tobacco.....	5,758	576	18,766	182	6,196	4.02	30,719	18.58
Machinery.....	10,426	613	52,913	169	25,982	3.27	89,321	10.79
Metal working.....	12,975	865	29,015	148	17,312	3.39	59,303	11.14
Mining.....	199,682	605	154,273	198	90,622	4.90	444,577	22.67
Paper, printing, etc.....	72	72	4,165	83	2,323	3.69	6,559	9.63
Textiles.....	3,408	341	17,036	122	6,686	2.96	27,130	11.28
Transportation.....	71,388	585	69,320	186	38,342	3.69	179,050	16.45
Woodworking.....	5,042	504	11,706	108	5,824	3.76	22,572	13.56
Other industries.....	4,318	480	1,989	199	1,971	3.77	8,278	15.27
Total.....	558,757	601	636,579	184	321,016	4.13	1,516,352	18.46

**FINANCIAL STATISTICS.**

In the details of the financial organization a radical change was affected by the decree of November 22, 1888. The original agreements provided that the premiums should be calculated without taking into consideration the cost of administration, and that these be distributed among the 10 banks pro rata, proportionately to their contributions to the guarantee fund. After 10 years of experience the banks might be permitted to substitute a definite annual payment instead of these pro rata payments, or a lump-sum payment of the capitalized value of such annual payments. Half of the surplus from the operations of the insurance institution was to be used in payment of the guarantee fund in pro rata sums; and as long as the entire guarantee fund was not repaid, the interest on the outstanding amounts was to be returned to the banks. After the entire guarantee fund is repaid from the surplus a part, but not over one-half, of the additional surplus determined by the superior council might be used for accumulating a reserve fund and part for the benefits of the insured.

This system was abolished by the decree of November 22, 1888. According to the system then established the guarantee fund was

turned into the treasury of the insurance institution which was to make use of this fund and the interest from it as of all other revenue. On the other hand, the insurance institution was required to meet all expenses of administration. The prohibition to load these expenses upon the premium rate was abrogated, and the 10 banks which signed the agreement were freed from any further obligation to contribute to the cost of administration. The insurance institution was required to build up a reserve fund with the annual surpluses, and if after the first 10 years of operation this reserve should exceed 500,000 lire (\$96,500) then the surpluses of the following years are to be used in repayment of the guarantee fund, without interest.

The financial condition of the insurance institution is shown in the following four tables.

The data were taken partly from the original reports of the National Accident Insurance Institution<sup>(a)</sup> and partly from the digests of these reports in the serial publication, *Bollettino di Notizie sul Credito e sulla Previdenza*. As this publication did not appear between 1896 and 1900, it was impossible to ascertain the data for 1895 to 1898.

As is seen from the statement of resources and liabilities, the resources had grown to \$1,313,973 in 1905. The two principal items are the reserve for compensation of cases pending at the end of the year and the original guarantee fund of 1,500,000 lire (\$289,500), which is practically intact. In addition the institution has carefully labored to create reserve funds for various purposes, and their growth has been fairly continuous.

RESOURCES AND LIABILITIES OF THE NATIONAL ACCIDENT INSURANCE INSTITUTION FOR VARIOUS YEARS, 1899 TO 1907.

[Source: *Bollettino di Notizie sul Credito e sulla Previdenza*. Data for 1890 and 1895 to 1898 not obtainable.]

Year.	Resources on December 31.	Liabilities on December 31.							
		Guarantee fund.	Surplus.	Reserve for compensation of cases pending.	Reserve for fluctuation of value of securities.	Extraordinary reserve.	Other reserves and funds.	Bills payable.	Surplus from operations of the year.
1899...	\$344,896	\$289,500	\$9,723	\$17,894	.....	\$5,790	\$1,930	\$17,557	\$2,501
1891...	370,198	289,500	13,510	24,340	\$13,510	19,300	3,860	3,387	2,791
1892...	387,971	289,500	19,300	28,005	13,510	28,950	3,860	3,684	1,162
1893...	407,623	289,500	19,300	25,655	27,406	36,284	3,860	4,051	1,567
1894...	425,084	289,500	19,300	34,289	27,406	44,390	3,860	4,783	1,556
1899...	566,171	289,500	29,837	105,412	27,406	57,900	14,128	7,914	34,074
1900...	609,589	289,500	49,137	124,400	27,406	54,108	27,638	10,497	26,903
1901...	682,439	289,500	54,040	195,323	27,406	68,578	31,498	16,094	.....
1902...	808,464	289,500	54,040	345,864	27,406	43,819	19,682	28,153	.....
1903...	970,109	279,850	54,040	468,888	47,618	.....	17,370	102,343	.....
1904...	1,137,977	271,586	.....	592,991	35,931	77,200	20,021	128,270	11,978
1905...	1,313,973	279,850	.....	742,151	40,644	38,093	21,962	171,860	19,413
1906...	1,474,675	279,850	.....	884,483	23,526	48,250	27,987	210,579	.....
1907...	1,850,422	279,850	.....	1,129,426	26,566	38,109	37,381	262,287	85,853

<sup>a</sup> Atti della Cassa Nazionale d' Assicurazione per gli Infortuni degli Operai sul Lavoro, 1904-1900.

In the following tables showing the receipts of the institution it was impossible to present comparable data for the entire period because of a radical change in the form of presentation of the accounts. The first table represents a purely formal receipt account. The actual income of the institution consists mainly of two items—the premiums received and the interest on investments. All other revenues were comparatively insignificant, except for 1902 and 1903, when they included transfers from the reserves for the purpose of covering the deficits from operation during these two years.

In the table of receipts for 1904 to 1907 the form of the account has been changed, and the total represents the actual revenue of the institution. In 1907 the premiums were about 95 per cent of the total receipts.

RECEIPTS OF THE NATIONAL ACCIDENT INSURANCE INSTITUTION FOR VARIOUS YEARS, 1889 TO 1903.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza. Data for 1890 and 1895 to 1898 not obtainable.]

Year.	Reserve for compensation of cases pending.	Premiums.	Interest.	All other.	Loss from operations.	Total.
1889.....	\$14,758	\$58,220	\$12,478	\$8,777	.....	\$94,233
1891.....	21,895	87,205	17,169	2,577	.....	128,846
1892.....	24,340	88,069	18,007	2,883	.....	133,299
1893.....	28,006	95,621	18,714	1,298	.....	143,639
1894.....	25,655	100,244	19,436	1,651	.....	146,986
1899.....	55,570	265,569	22,250	1,265	.....	344,654
1900.....	105,412	298,610	25,270	7,073	.....	436,365
1901.....	124,400	384,011	26,973	7,478	\$11,817	554,679
1902.....	195,323	583,958	28,340	<sup>a</sup> 54,904	28,456	891,071
1903.....	345,864	822,341	29,376	<sup>b</sup> 100,361	12,068	1,310,000

<sup>a</sup> Including \$53,060 taken from the reserves for payment of claims.

<sup>b</sup> Including \$67,027 taken from the reserves for payment of claims.

RECEIPTS OF THE NATIONAL ACCIDENT INSURANCE INSTITUTION, 1904 TO 1907.

[Source: Atti della Cassa Nazionale d'Assicurazione per gli Infortuni degli Operai sul Lavoro: Bilancio Consuntivo del 1904, 1905, 1906, and 1907.]

Year.	Premiums.	Interest.	Office fees.	All other.	Total.
1904.....	\$1,219,249	\$34,935	\$26,127	\$502	\$1,280,813
1905.....	1,121,709	39,737	22,631	296	1,184,373
1906.....	1,244,289	48,398	25,596	433	1,318,716
1907.....	1,586,953	50,088	26,839	1,354	1,665,234

On account of a change in the form of keeping the accounts the expenditures are also shown in two tables. For the years 1889 to 1903 the first table shows the actual indemnity paid during the year, and the reserve computed at the end of the year to cover outstanding claims as an item of expenditure. The gains from operation are also shown as an expense item to balance with the revenue account. For the years 1904 to 1907 an effort is made to account for the actual expenses of the year, the indemnity for claims accrued during the year being

shown rather than the indemnity actually paid. For most items comparisons may be made for the entire period. Very interesting are the rapid increases of expenditures for medical help, legal advice, and inspection, which indicate the cost of the efforts to counteract the tendency to fraudulent practices, described in a preceding section.

EXPENDITURES OF THE NATIONAL ACCIDENT INSURANCE INSTITUTION, FOR VARIOUS YEARS, 1889 TO 1903.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza. Data for 1890 and 1895 to 1898 not obtainable.]

Year.	Indemnity paid.	Reserve at end of the year for compensation of cases pending.	Expenditures for administration.	Medical expenses.	Legal expenses.	Expenses for inspection.	Taxes on investments.	Transferred to reserves.	All other expenses.	Gain from operations.	Total.
1889..	\$44,366	\$17,894	\$9,820	\$2,786	\$373	.....	\$1,647	\$13,688	\$1,157	\$2,501	\$94,232
1891..	65,619	24,340	13,072	1,291	36	.....	2,266	19,033	398	2,791	128,846
1892..	70,652	28,005	14,044	846	755	.....	2,377	15,440	18	1,162	133,299
1893..	75,982	25,655	14,859	785	474	.....	2,470	21,230	618	1,566	143,639
1894..	80,089	34,289	16,557	727	1,826	.....	3,234	8,106	602	1,556	146,986
1899..	151,692	105,412	25,778	2,277	1,396	\$2,363	4,299	16,959	211	34,074	344,461
1900..	240,713	124,400	29,741	3,625	2,273	2,846	4,893	.....	971	26,903	436,365
1901..	307,621	195,323	34,937	4,414	2,570	4,034	5,244	.....	536	.....	554,679
1902..	472,332	345,864	45,932	8,359	5,425	6,298	5,441	.....	1,421	.....	891,072
1903..	701,459	468,888	60,399	13,047	18,573	7,953	5,423	30,838	5,350	.....	1,311,930

EXPENDITURES OF THE NATIONAL ACCIDENT INSURANCE INSTITUTION, 1904 TO 1907.

[Source: Atti della Cassa Nazionale d' Assicurazione per gli Infortuni degli Operai sul Lavoro: Bilancio Consuntivo del 1904, 1905, 1906, and 1907.]

Year.	Indemnity accrued.	Expenditures for administration.	Medical expenses.	Legal expenses.	Cost of determination of injuries.	Expenses of inspection.	Taxes on investments.	All other expenses.	Total.
1904..	\$924,570	\$88,465	\$14,567	\$30,558	\$3,479	\$8,971	\$5,423	\$2,893	\$1,078,926
1905..	985,383	92,790	18,437	53,665	4,577	12,991	5,423	4,148	1,177,414
1906..	1,119,064	111,300	25,280	56,014	6,523	15,025	5,423	9,431	1,348,060
1907..	1,335,393	119,586	36,555	61,666	7,343	19,050	2,125	17,005	1,598,723

The preceding tables, giving the receipts and expenditures by years, and further complicated by various bookkeeping accounts, do not furnish a satisfactory basis for any conclusion as to the financial results of the insurance institution. To supplement this, each annual report of this institution contains a table comparing the amount of premiums received with the total expenditures arising during the same year and properly chargeable to the premiums for that year, including the compensation payable for all accidents occurring during the year and the expenses of administration for the same year. As, however, the total amount of compensation payable is not definitely known at the end of the year, and is subject to further changes, the annual statements are subject to subsequent modifications. In the following table the amount of compensation paid for the entire period has been taken from the latest source available and is therefore more accurate, especially for the earlier years. The statement of expenditures has been taken from the original reports

as far as available. It was impossible to obtain such data for 1885 to 1888, 1890, and 1895 to 1898.

Until 1900 the premiums not only covered the compensation paid, but left a surplus for meeting the other expenditures, and even permitted the formation of reserves. But taken together the compensation and the expenditures of administration very often exceeded the amount of premiums received, so that evidently the low premiums were possible only because of the interest from the guarantee fund and the accumulated reserves. The proportion between compensation and premiums became quite alarming in 1901, when the compensation exceeded the premiums by 15.71 per cent. Adding the cost of administration, the excess of total expenditures over premiums reached 27.68 per cent in 1901, 23.71 per cent in 1902, and 21.74 per cent in 1903. Thus the premiums were far too low to cover the cost of insurance. The general revision of the rates remedied the situation, while the formation of the obligatory mutual association for the sicilian sulphur mines reduced the amount of compensation paid very materially.

The favorable proportion between the compensation paid and the premiums, and the seemingly large surplus for the last few years are deceptive because due to delay only, many claims for benefits remaining unsettled. For these years, therefore, the amount of compensation payable is nearer to the truth than the amount of compensation paid out for each year up to September, 1908. For 1905 the amount paid out as compensation was \$824,589, while the amount payable was computed at the end of the year at \$985,383, and it is reasonable to assume that for 1905, as for all the preceding years, the amount eventually paid would be higher than the computed amount due. For 1906 the amount paid out up to September 30, 1908, was \$991,407, while the computed amount payable was \$1,119,064. Taking these amounts, the proportion of the compensation to the premiums for 1905 is 87.85 per cent, and not 73.51 per cent, and adding the expense account, 104.48 per cent and not 90.1 per cent. For 1906 the proportion is 89.94 per cent instead of 79.68 per cent for compensation alone, and 107.90 per cent instead of 97.65 per cent for compensation and expenses together. For 1907, the last year reported, the amount actually paid was comparatively small; the amount payable was \$1,335,393, or 84.15 per cent of the premiums, while the expense account was \$263,330, or 16.59 per cent of the premiums. The total cost was therefore 100.74 per cent of the premiums.

## COMPARISON BETWEEN PREMIUMS, COMPENSATION PAID UNTIL SEPTEMBER 30, 1903, AND TOTAL EXPENDITURES OF THE NATIONAL ACCIDENT INSURANCE INSTITUTION, FOR VARIOUS YEARS, 1889 TO 1906.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza (1889 to 1903) and Atti della Cassa Nazionale d'Assicurazione per gli Infortuni degli Operai sul Lavoro; Bilancio Consuntivo del 1904, 1905, 1906, and 1907. Data for 1890 and 1895 to 1898 not obtainable.]

Year.	Premiums received.	Compensation paid for each year (up to Sept. 30, 1903).	General expenses. (a)	Total compensation and expenses.	Excess of—		Per cent of premiums.		
					Premiums.	Total payments.	Compensation.	Expenses.	Total payments.
1889..	\$58,220	\$45,351	\$13,244	\$58,595	.....	\$375	77.90	22.75	100.65
1891..	87,205	73,136	14,399	87,535	.....	330	83.87	16.51	100.38
1892..	88,069	71,719	15,656	87,375	\$694	.....	81.43	17.78	99.21
1893..	95,621	79,874	16,679	96,553	.....	932	83.53	17.44	100.97
1894..	100,244	88,749	19,381	108,130	.....	7,886	88.53	19.33	107.86
1899..	266,569	207,473	31,814	239,287	26,282	.....	78.12	11.98	90.10
1900..	298,610	271,881	38,485	310,366	.....	11,756	91.05	12.89	103.94
1901..	384,011	444,341	45,974	490,315	.....	106,304	115.71	11.97	127.68
1902..	583,958	656,432	66,013	722,445	.....	138,487	112.41	11.30	123.71
1903..	822,341	901,116	99,971	1,001,087	.....	178,746	109.58	12.16	121.74
1904..	1,219,249	930,438	148,667	1,079,105	140,144	.....	76.31	12.19	88.50
1905..	1,121,709	824,589	186,586	1,011,175	110,534	.....	73.51	16.63	90.14
1906..	1,244,289	991,407	223,572	1,214,979	29,310	.....	79.68	17.97	97.65

(a) Not including taxes on investments, and in some years other minor disbursements, not considered expenses of administration.

The per capita amount of premium and also of compensation have been computed and are shown in the following table. By dividing the entire life of the institution into three periods—that previous to the accident insurance law (1884 to 1898), the period under the law and rates of 1898 (1899 to 1903), and that under the amendments of 1903 (1904 to 1906)—a very interesting contrast is obtained. The average amount of the premium has increased from 84 cents during the first period to \$1.70 during the second and \$3.12 during the last. The average amount of indemnity paid has not varied very much from these averages, except that for the last three-year period it was considerably smaller, because many claims arising during these years had not been settled.



**PROPORTION BETWEEN PREMIUMS AND INDEMNITY PAID OUT BY THE NATIONAL  
ACCIDENT INSURANCE INSTITUTION, 1884 TO 1906.**

[Source: Atti della Cassa Nazionale d'Assicurazione. Bilancio Consuntivo del 1907.]

Year.	Average number of persons insured throughout the year.	Amount of premi- ums received.		Amount of indem- nity paid. (a)	
		Total.	Average per person insured.	Total.	Average per person insured.
1884.....	67	\$25	\$0.37	.....	.....
1885.....	6,556	3,327	.51	\$1,581	\$0.24
1886.....	24,440	17,824	.73	38,550	1.58
1887.....	36,992	28,123	.76	25,270	.68
1888.....	58,023	44,881	.77	37,194	.64
1889.....	77,876	58,220	.75	45,351	.58
1890.....	94,507	75,286	.80	64,040	.68
1891.....	103,238	87,205	.84	73,136	.71
1892.....	109,253	88,069	.81	71,719	.66
1893.....	118,123	95,621	.81	79,874	.68
1894.....	125,119	100,244	.80	88,749	.71
1895.....	138,192	115,986	.84	100,623	.73
1896.....	146,696	128,167	.87	102,166	.70
1897.....	158,214	144,178	.91	134,049	.85
1898.....	160,772	148,183	.92	128,521	.80
1899.....	178,439	265,569	1.49	207,473	1.16
1900.....	202,355	298,610	1.48	271,881	1.34
1901.....	245,501	384,011	1.56	444,341	1.81
1902.....	340,256	583,958	1.72	656,432	1.93
1903.....	421,363	822,341	1.95	901,116	2.14
1904.....	370,198	1,219,249	3.29	930,438	2.51
1905.....	373,570	1,121,709	3.00	824,589	2.21
1906.....	406,183	1,244,289	3.06	991,407	2.44
1884 to 1898.....	1,358,078	1,135,339	.84	990,823	.73
1899 to 1903.....	1,387,914	2,354,489	1.70	2,481,243	1.79
1904 to 1906.....	1,149,951	3,585,247	3.12	2,746,434	2.39

a The numbers here shown include all payments made up to Sept. 30, 1908, for accidents occurring in each year.

**THE COMPULSORY MUTUAL ACCIDENT INSURANCE ASSOCIATION FOR  
SICILIAN SULPHUR MINES.**

The parliamentary commission which studied the bill of 1903 intended to limit its provisions concerning compulsory employers' mutual accident insurance associations to the industry of sulphur mining in Sicily, but the law as passed did not contain the specification, because of the argument that conditions similar to those in that industry might develop in other industries also. As a matter of fact the sulphur mining industry of Sicily was the first to be organized under the law on July 11, 1904.

The difficulties arising out of the application of the law of 1904 to the sulphur mines of Sicily were claimed to be inherent in the peculiar organization of that industry. Small undertakings predominate. When the compulsory association was formed it embraced about 900 employers and nearly 40,000 employees. Subcontracting is very common. Often the proprietor divides his sulphur beds among many contractors, and even one sulphur mine may be exploited by several contractors, each having an independent shaft of entry. In addition, the usual method of payment is in piece wages. These factors made the differentiation of the employer and employee and the

determination of the earnings and other details of the application of the law very difficult. The operators complained of the excessive charges imposed by the law. The national insurance institution was forced to put these mines in one of the highest (twenty-fourth) risk classes with special increases of premiums for unfavorable conditions. The private insurance companies had complained of the frequency of frauds on the part of the small employers, and after two years of unsatisfactory experience left the entire field to the national insurance institution, which by its constitution is prohibited from refusing any risks. Protracted lawsuits and delays in the payment of indemnities were frequent and caused hardship to the injured workmen, and the national insurance institution, in which most of these miners were insured, suffered a heavy deficit during the years 1899 to 1903, which was especially large in the Palermo branch, due to the sulphur mines. All these circumstances emphasized the necessity of a local mutual institution on a cooperative basis, which would make better control possible. According to one authority, the lack of the feeling of economic and social solidarity made the hope for a voluntary association futile.

On January 9, 1904, the minister of agriculture addressed a circular<sup>(a)</sup> to the prefects of the Provinces and the presidents of the chambers of commerce and of arts in Sicily informing them of the necessity of forming an employers' compulsory insurance association and requesting opinions and suggestions, as required by the law. After the required preliminary steps the constitution of the association was approved and the association thereby instituted by royal decree of July 11, 1904, under the name of the Sicilian Obligatory Association for Mutual Insurance against Industrial Accidents in the Sulphur Mining Industry. (*Sindacato Obbligatorio Siciliano di Mutua Assicurazione per gl' Infortuni sul Lavoro nella Industria delle Miniere di Zolfo.*)

On the same date the Crown approved a special act passed by both chambers of the Parliament which introduced some modifications in the operation of the law as applied to the Sicilian sulphur-mining industry and to the Employers' Compulsory Mutual Insurance Association. These modifications applied to the method of distributing among the individual employers the cost of compensation and to the measures to be taken to collect the necessary funds.

In transmitting the text of the bill to the Chamber of Deputies on May 23, 1904, the minister of agriculture, industry, and commerce pointed out that the method of distributing the expense of the employers' association according to the wage expenses of the indi-

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<sup>a</sup> Bollettino di Notizie sul Credito e sulla Previdenza, 1904, p. 5.

vidual employers worked injustice, because of frequent deceptions in the statements of some of the employers. A comparison of the data of the mining office of the district of Caltanissetta with the data of the National Accident Insurance Institution showed that the amount of wages certified was about one-half of the amount actually paid. The ministry therefore accepted the suggestions of the Sicilian mining association, indorsed by several of the chambers of commerce of Sicily, that the assessments be made not according to the wage expense, but according to the quantity of sulphur produced, and that they be collected in connection with the railway transportation of the product, so as to make impossible any evasion of the assessments.

#### OPERATIONS UNDER THE LAW OF JULY 14, 1907.

The conditions of the application of the compensation legislation by the Employers' Compulsory Mutual Accident Insurance Association were considerably modified by the new law of July 14, 1907, referring especially to this obligatory association. The chief object of this law was further to eliminate the opportunities of defrauding the association. The special law of July 11, 1904, was aimed at the frauds in connection with the payment of contributions by the members, but it left untouched the opportunities for fraud in connection with the payment of compensation.

The minister of agriculture, industry, and commerce in his memorial accompanying the bill introduced into the Chamber of Deputies on June 9, 1907, declared that the law of July 11, 1904, aggravated frauds in connection with the statements of wages and earnings upon which the computation of compensation is based, because it took away the restraint upon exaggeration which existed when the employers' contributions were proportionate to their wage expense. It was pointed out in the same memorial that the conditions of contracting and subcontracting made exaggerations of wages especially difficult to detect. The general standard of the law making the annual earnings equal to 300 times the daily wage was also declared to be excessive for the Sicilian mining industry, since the actual number of working days varied in the different provinces from 160 to 248. The frequent fraudulent practices led to excessive litigation, which proved an additional expense to the insurance association.

To remedy these conditions the association made repeated requests upon the Government that a system of fixed wage schedules for certain occupations be substituted for the method of individual computation of the earnings, and the law of July 14, 1907, is primarily an adaptation of this suggestion. Connected with this are measures for better organization of medical help and for a system of medical

inspection which will enable the mutual insurance association better to control the payment of compensation.<sup>(a)</sup>

The law was to go into effect after the publication of the necessary regulations, which were prepared by the ministry, were approved by the royal decree of June 14, 1908, and were promulgated on August 6, 1908.<sup>(b)</sup>

It will be unnecessary to give a complete analysis of the workings of this employers' compulsory mutual insurance association, because in its main features it must follow the provisions of the general accident insurance law, which was fully analyzed in an earlier section. The purpose and scope of this institution and the extent of the industrial field covered by it are sufficiently well indicated in its title. The provisions concerning persons injured, the character of disability compensated, and the benefit payments all remain unchanged. Only those features of its activity will be presented which show a material deviation from the methods required by the general law.

**MEDICAL HELP.**—The association is required by the law of 1907 to organize a service of first medical and pharmaceutical aid to the injured workers, in regular stations, without any cost to the sulphur mine owners. In addition to the medical help, the physicians connected with these medical aid stations must furnish the preliminary and final medical certificates without any cost to the injured person. To cover the cost of this medical service the association is authorized to levy an additional tonnage tax upon the sulphur mined, according to the provisions of the law of July 11, 1904, but not to exceed 50 centesimi (9.7 cents) per ton.

**MEDICAL EXAMINATION.**—For the purpose of protecting the compulsory mutual accident insurance association against possible fraud, the law of 1904 confers additional power on the association in cases of medical inspection. As soon as an accident has occurred the association may demand of the local magistrate that the injured person be examined by a medical expert even before any claim for compensation is made. The magistrate must order such investigation to be made as soon as possible, and he appoints the expert. In case the injured person refuses to undergo the medical examination, it may be assumed by the judicial authority, unless otherwise proven, that such lesions alone are due to the accident as evidently have been caused by it.

The cost of the examination is paid by the association which has requested it, and includes pay to the injured employee for wages lost because of the examination and reimbursement of his traveling expenses, if any.

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<sup>a</sup> Die Arbeiter-Versicherung im Auslande. Herausgegeben von Dr. Zacher, Heft VIb, p. 18.

<sup>b</sup> Bollettino dell' Ufficio del Lavoro, Vol. X, Aug. 2, 1908, pp. 491 to 499.

**SOURCES OF INCOME.**—The expenses of the obligatory mutual accident insurance association of the operators of Sicilian sulphur mines is met by a special tax of 1.50 lire (29 cents) per ton of sulphur obtained or of mineral containing more than 65 per cent of pure sulphur. The assessment upon mineral containing 65 per cent and less is reduced by one-third.

As stated in the report of the minister of May 23, 1904, this rate of assessments was computed in the following way: <sup>(a)</sup> The total amount of compensation annually paid to Sicilian sulphur miners by the National Accident Insurance Institution in 1901 and 1902, when it assumed all insurance in that region, was about 513,000 lire (\$99,009). At that time compensation was paid according to the law of 1898. It was computed that on an average the cost under the law of 1904 would exceed that under the older law by about 20 per cent, and an additional 20 per cent was allowed for the expenses of administration and the formation of the reserve, which brought the probable cost up to almost 718,000 lire (\$138,574). Since the average annual production of sulphur amounted to about 500,000 tons, it was estimated that the tax of 1.50 lire (29 cents) per ton would produce the requisite revenue with a necessary margin of safety.

In case the tax yields more revenue than is needed, and the general meeting of the association expresses the desire to have the tax reduced, the administrative council may petition the ministry to that effect, and after consultation with the Council of State, such reduction may be ordered by the Government, but it may require a guarantee of the solvency of the institution.

The collection of the contribution was combined with the transportation of sulphur and sulphur minerals, because this was considered the best way to reach all the sulphur mined; and since most of the sulphur is transported by rail, the railroad station nearest to the mines was considered the most convenient place for accounting for the tonnage and for receiving the contribution. The railroad companies operating in Sicily agreed to assume the duty of collecting the contribution in connection with the freight charges. The contribution may be paid at the time of shipment or it may be paid at the time of delivery if the shipper assigns the payment to the consignee by a proper indorsement upon the bill of lading and the railroad transfers the amounts received to the insurance association. The fee charged by the railroad for making collections is very small, it being 5 centesimi (1 cent) per each 10 lire (\$1.93), with a minimum charge of 10 centesimi (2 cents).

The regulation of method of payment of contributions for the sulphur transported over ordinary roads was left to the constitution of the association.

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<sup>a</sup> Bollettino di Notizie sul Credito e sulla Previdenza, 1904, pp. 827 to 835.



The same rule applies to the amount and method of payment of contributions to cover the risk of work which is temporarily unproductive.

**DETERMINATION OF BENEFITS.**—The general method of determining the benefits due the workmen injured in the Sicilian sulphur mines remains the same as provided for by the laws of 1898 and 1903 (codified in 1904) for all other industries. The difference introduced by the law of July 14, 1907, and by subsequent regulations issued on June 14, 1908, concerns the method of determination of the wages, upon which the amount of compensation depends.

**DETERMINATION OF WAGES.**—Instead of the complicated system of computing wages which is contained in the general accident insurance law of January 31, 1904, and in the regulations of March 13, 1904, the following much simpler plan is substituted: First, in case of employees hired for a specified annual remuneration, that sum is taken in case of death or permanent disability; in compensation of temporary disability, the daily wage is arrived at by dividing the annual remuneration by 365. For all other employees, special wage tables must be elaborated. These tables must be prepared by the Ministry of Agriculture, Industry, and Commerce, which should take into consideration the proposals of the mining office of the district of Caltanissetta (the center of the sulphur mining industry of Sicily) and give a hearing to the local authorities and to local employers and employees' associations.

In these tables the workmen employed in the sulphur mining industry must be divided into groups, and to each group must be attached a specified sum of annual earnings, to be used in case of death or of permanent disability and a daily wage to be used in case of temporary disability. In computing these tables, the sum of annual earnings must correspond to the average annual earnings of the employees in that group, and the daily wage must be obtained through division of the annual earnings by the average number of working days in the various provinces.

The tables prepared in accordance with these requirements of the law were approved by royal decree of July 2, 1908.

Estimates of annual and daily wages were made not only for occupations and for each of the four sulphur mining provinces but also by age groups; and the tables are furthermore complicated by the fact that different age classifications have been adopted for the different occupational groups. Thus, the miners are divided into four groups, as follows: Under 25 years, 25 and under 45 years, 45 and under 60 years, and 60 years and over. The common laborers are divided into five age groups: Under 15 years, 15 and under 25 years, 25 and under 50 years, 50 and under 60 years, and 60 years and over; and the employees occupied in transporting the sulphur are arranged



also in five groups, but these groups slightly differ from the age grouping of the common laborers: Under 20 years, 20 and under 40 years, 40 and under 50 years, 50 and under 60 years, and 60 years and over. For all other occupations a slightly different age classification was adopted: Under 15 years, 15 and under 21 years, 21 and under 30 years, 30 and under 60 years, and 60 years and over.

For all age groups except the highest, the demand of the law is complied with in obtaining the annual earnings by multiplying the daily wage by the average number of working days. For the age group of 60 years and over, the annual earnings are obtained by subtracting 25 per cent from the product of the multiplication of the daily wage by the average number of working days.

Contract workers who, though working themselves, employ other wage workers are assumed to receive the wage of the highest wage group to which any one of their employees belongs.

Five years after going into effect the tables must be revised, and the procedure of the next revision is prescribed in great detail in the regulations of June 14, 1908. Revision of the tables may be ordered after two years, if a demand for such revision is made either by the Sicilian Mutual Accident Insurance Association or by 100 workmen in any one province, and if the demand is approved by the head engineer, the district mining office of Caltanissetta approves it after investigation. The assigning of the employees to the different wage groups indicated in the tables must proceed in compliance with the regulations. At the time of employment, the employer must inform the employee to which group of average wages he is assigned. This must be done in the presence of witnesses and with the consent of the employee, who may raise objections against the assignment, and if the employer does not agree with the employee, the statements of both parties must be recorded. The certificate of assignment must be made in writing and signed by both parties, and it must contain the objections of the employee, if any. Appeals from this assignment may be made within ten days to the mutual insurance association, which association transfers the complaint to the district mining office at Caltanissetta for final decision.

The same procedure must take place in case of change of the employee from one occupation to another, but if the change from one wage group to another is due to age no special notice need be given. The operator of the mine or his agent, upon complaint made by the employee to the insurance association and forwarded to the district mining office, may be prosecuted for failure to give the employee the required notice of assignment.

If an accident occurs to a workman before his assignment to a wage group has been made, the assignment is made by the insurance

association, and disagreement as to such assignment is to be settled in the same way as all other disagreements as to indemnity to be paid.

Notice of assignments made must be given to the insurance association. The same requirements are applicable to contractors and to subcontractors employing helpers. If at the time of an accident the notice to the association is overdue, or if the notice furnished omitted to give essential information in relation to the workmen's wages or contained false statements relative thereto, the association may recover the amount of compensation from the employer. If the salary stated to the association is lower than that stated to the employee, only the difference of the compensation based upon the two wage figures is recoverable.

**FINANCIAL ORGANIZATION.**—The revenues of the association consist mainly of the tax upon sulphur as established by the law of July 11, 1904; in addition to this there are the initiation fees of the members, amounting to 4 per cent of their annual wage expense; special assessments for nonproductive work, revenues from the investment of the reserve funds, and miscellaneous income. The normal rate of taxes is established by the law; the special assessment for nonproductive work is determined at 0.5 per cent of the wage expense, and may vary in accordance with the variations of the tax.

In the financial organization of the association three funds are provided for: An operating fund, the ordinary reserve or guarantee fund, and the extraordinary reserve fund. The ordinary reserve fund is formed from the initiation fees and 5 per cent deducted from the other income, which deduction is continued until the reserve is equal to the average annual amount of the indemnities and expenses of administration for the preceding five years. This reserve is invested in state or guaranteed securities and deposited with the Bank of Loans and Deposits, subject to the same regulations as the guarantee funds of the voluntary associations. Extraordinary revenues and surplus from operation are paid into the extraordinary reserve, which is not limited. This reserve is deposited in the same way and serves to meet the payment of extraordinarily heavy indemnities.

If the revenues and 50 per cent of the extraordinary reserve do not suffice to meet the obligations, the council must call a special meeting to authorize a petition to the ministry for necessary measures to cover the deficit. On the other hand, if the revenues should prove too large and after five years of experience (after deducting the 5 per cent payable into the ordinary reserve) are 25 per cent higher than the budget, then the association may petition the ministry for a reduction of the tax. If the reduction amounts to more than 5 per cent, the association may levy a surtax upon the new members (who have not contributed to the accumulated reserves), which surtax must not exceed the difference between the old and the new tax.

In case of the dissolution of the association, the constitution provides for a redistribution of the accumulated reserves among the members proportionately to the wages paid as announced to the association during the whole period of its existence.

The operating fund is kept either in the Postal Savings Bank or in any other savings bank or in the Bank of Sicily, and is subject to the order of the president, who must himself, or through the vice-president or a director, indorse all payments. The temporary benefit payments to the injured workmen are made by members of the association, who are subsequently reimbursed.

ADMINISTRATION.—The organization and mode of operation of the insurance association is regulated by its constitution. (<sup>a</sup>) Briefly, this organization is as follows: The association is governed by the general assembly of members, meeting twice a year regularly and in extraordinary meeting whenever necessary, and its officers, as follows: An administrative council, an executive office, an accident prevention committee, so called, auditors, and a board of arbitration.

The membership of the association consists of the mine operators who are employers of labor. Under certain regulations the owners of mines who do not operate their mines may hold membership in the association. In the general meetings of the association the members have a voting power corresponding to the number of employees, 1 vote up to 25 employees, 1 additional vote for each additional 25 employees, but not over 100 votes to 1 person, though the number of employees is computed by assuming 1 employee for every 500 lire (\$96.50) of annual wages paid. Members may be represented by proxies, but no member of the administrative council is allowed to act as the agent of any other member of the association.

The administrative council consists of ten members, elected for two years, one-half of the number being elected annually. The council has the general powers given to a board of directors, subject to the control of the general assembly. The actual executive work is done by the director, who is at the head of the executive office. He is elected by the assembly for a probationary period of two years, after which he has security of tenure and can be removed for cause only by a general meeting at which are registered three-fourths of all voting power. He supervises all the work except that referring to prevention of accidents. The director is subject to the administrative council, to which he refers each case of rejected application for compensation. Litigation must be sanctioned by the council.

The accident prevention committee consists of three members elected by the general assembly. The function of this committee is to inspect the mines and to issue specific orders and general rules for

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<sup>a</sup> Bollettino di Notizie sul Credito e sulla Previdenza, 1904, p. 1643.

the purpose of promoting the safety of the work. These orders must be approved by the council, and may be appealed from to the district mining office. For the purpose of inspection the committee may impress members of the association for a short time, and must pay them the cost of subsistence and traveling expenses.

The three auditors perform the usual functions of an auditing committee, and a board of five arbiters elected annually by the general meeting hears all controversies between the association and its members referred to it for informal consideration.

Under penalty of a fine a member is required to accept any office to which he is elected, unless he is excused for cause by the administrative council, and for his services is entitled to traveling expenses and to a per diem allowance.

**GOVERNMENT CONTROL OF ADMINISTRATION.**—A few changes were introduced in the methods of administration of the association by the law of 1907, for the purpose of strengthening the government control over its affairs. The governor is authorized to appoint a government representative on the administrative council of the association; and a special provision authorizes the ministry to transfer the entire administration into the hands of a government commissioner, if the council ceases to exercise its function or exercises it irregularly. In such cases the commissioner remains in charge until the general assembly elects a new council. It was explained that some such provision was needed on the statute books to insure continuity of service of the association against any malice on the part of the board of directors. This commissioner has all the powers of the president and of the administrative council, and may be given the powers of the general assembly. He is to resign as soon as a council has been selected. The remuneration of the commissioner is to be determined by the minister, but must not exceed 25 lire (\$4.83) per day.

**STATISTICS.**—The Sicilian compulsory mutual insurance association has been in operation such a short time that little statistical information concerning it is available; but in the following two tables a few data concerning accidents in the sulphur mines and the compensation paid for such accidents are given for 1899 to 1905, inclusive, i. e., a continuous period of seven years of the application of the accident compensation law, for from January 1, 1899, to October 1, 1904, the sulphur mine operators were insured almost altogether with the National Accident Insurance Institution. Only the last line in these tables, giving data for the 15-month period, October 1, 1904, to December 31, 1905, refers to the compulsory mutual insurance association, and this permits some comparisons. The tables show a continuous and rapid increase in the accident rate which even the formation of the compulsory mutual association did not stop, although it slowed down the pace. The rate in 1903 was 126 per thousand; in

1904 it was 143.2 per thousand for nine months, or 190.9 per thousand per annum; and in 1904-5 it rose to 254 per thousand for fifteen months, or 203.2 per thousand per annum. What the rate is under the application of the new law of July, 1907, it is impossible to tell, since no data are available. As might be expected, the increase is not manifested in the number of grave accidents. In 1900 the rate per thousand of accidents resulting in death or permanent disability was 8.1, in 1904 it was 9.3, and in 1905 it was 8.0, while the rate of cases of temporary disability increased from 74.3 per thousand in 1900 to 181.6 in 1904 and to 195.2 in 1905. It is also shown that the total amount of compensation increased materially, though to a less degree, because the increase of the accidents was mainly in the temporary disability group.

NUMBER OF ACCIDENTS IN SICILIAN SULPHUR MINES AND RATE PER 1,000 EMPLOYEES, 1899 TO 1905.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, 1908, Vol. XXVI.]

Year.	Em- ployees.	Wages paid.	Accidents.			Accidents per 1,000 employees.		
			Resulting in—		Total.	Resulting in—		Total.
			Death or per- manent disa- bility.	Tem- porary disa- bility.		Death or per- manent disa- bility.	Tem- porary disa- bility.	
1899.....	38,208	\$3,424,635	152	2,393	2,545	4.0	62.6	66.6
1900.....	38,044	3,488,810	308	2,825	3,133	8.1	74.3	82.4
1901.....	38,901	3,588,165	255	3,924	4,179	6.5	100.9	107.4
1902.....	37,789	3,455,561	263	4,875	5,138	7.0	129.0	136.0
1903.....	37,341	3,495,840	307	4,397	4,704	8.2	117.8	126.0
1904.....	<sup>a</sup> 35,395	<sup>a</sup> 2,569,414	<sup>a</sup> 248	<sup>a</sup> 4,820	<sup>a</sup> 5,068	<sup>a</sup> 7.0	<sup>a</sup> 136.2	<sup>a</sup> 143.2
1905.....	( <sup>b</sup> )	( <sup>b</sup> )	<sup>c</sup> 397	<sup>c</sup> 9,056	<sup>c</sup> 9,453	<sup>c</sup> 10.0	<sup>c</sup> 244.0	<sup>c</sup> 254.0

<sup>a</sup> Nine months of the operation of the national insurance institution.

<sup>b</sup> Not reported.

<sup>c</sup> Fifteen months of the operation of the Sicilian compulsory mutual insurance association.

TOTAL AND AVERAGE COMPENSATION PAID FOR ACCIDENTS TO WORKMEN IN SICILIAN SULPHUR MINES.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, 1908, Vol. XXVI.]

Year.	Total com- pensation paid	Average compensation.			
		Per case resulting in—			Per case, all cases.
		Death.	Permanent disability.	Temporary disability.	
1899.....	\$56,520.90	\$467.00	\$163.75	\$3.93	\$22.21
1900.....	85,960.19	508.00	251.09	3.43	27.44
1901.....	108,283.45	594.00	190.28	4.01	25.91
1902.....	101,592.01	575.00	202.45	3.96	19.77
1903.....	128,272.15	599.00	261.72	4.69	27.27
1904.....	<sup>a</sup> 122,806.09	<sup>a</sup> 527.00	<sup>a</sup> 348.56	<sup>a</sup> 4.95	<sup>a</sup> 24.23
1905.....	<sup>b</sup> 163,259.76	<sup>b</sup> 579.00	<sup>b</sup> 232.57	<sup>b</sup> 4.38	<sup>b</sup> 17.27

<sup>a</sup> Nine months of the operations of the national insurance institution.

<sup>b</sup> Fifteen months of the operations of the Sicilian compulsory mutual insurance association.



**COMPULSORY ASSOCIATION FOR INSURANCE OF SEAMEN.**

The second compulsory mutual insurance association was ordered by royal decree of December 14, 1905, approving the constitution of this association after the preliminary steps required by the law of January 31, 1904, and the regulations of March 13, 1904, had been taken. The decree ordered the association to begin operations on August 1, 1906, under the official title of the Obligatory Southern Maritime Association for Insurance of Seamen against Trade Accidents (*Sindacato Obligatorio Marittimo Meridionale per l'Assicurazione degli Infortuni sul Lavoro della Gente di Mare*). It embraces the equip-pers and the owners of ships belonging to the shipping districts of Naples, Gaeta, Castellammare di Stabia, Pizzo, Reggio di Calabria, Taranto, and Bari, with headquarters at Naples.

In all its essentials the constitution of this association follows that of the sulphur mine association, providing the same internal organization of administration and of the finances, except that in levying the contributions upon its members it follows the general law of 1904, which permits the general meeting to establish the rate annually.

**OTHER ACCIDENT INSURANCE INSTITUTIONS.**

As was explained at some length in the general discussion of the law and its application, in addition to the National Accident Insurance Institution and the compulsory mutual associations, accident insurance may be provided by the following three groups of institutions: (1) Private (commercial) insurance companies; (2) voluntary mutual associations; and (3) private funds, either cooperative or individual. These will be treated very briefly, especially in view of the meager data available.

**PRIVATE INSURANCE COMPANIES.**

The essential difference between Italy and Germany or Austria and some other European countries lies in the permission to private insurance companies to enter the field of accident insurance. While the Parliament did not see its way to exclude them, it felt the necessity of subjecting their activities to strict supervision and control, so as to protect the interests of the insuring employers as well as those of the insured employees.

Private insurance companies desiring to write accident insurance under this law must obtain authorization from the ministry. Writing accident insurance without such specific authorization is punishable by a fine up to 1,000 lire (\$193) for each contract, and the insured employer has the right of action for any damages sustained.

Such authorization must be asked for in written petition, accompanied by the list of premium rates and a sample policy. Variations



from the authorized form of policy are not permitted and are punishable by a fine of from 100 to 5,000 lire (\$19.30 to \$965) and, if repeated, may lead to cancellation of the authorization. Changes in premium or in conditions of policy require special permission of the ministry. The same requirements in regard to monthly reports and a register of insurance apply to the private insurance companies as to the national insurance institution. The accident insurance business must be kept entirely separate from all other business of the company.

A guarantee fund is required from the private insurance companies which at the end of the year must amount to two-thirds of the premiums received during that year, with a minimum of 200,000 lire (\$38,600). When the guarantee fund falls below the required limit and is not replenished within the specified time, the authorization is considered canceled and the employers must, within fifteen days, provide for insurance in some other way.

The great importance ascribed to the guarantee funds is shown by the numerous regulations concerning them. The guarantee funds must be deposited with the Bank of Deposits and Loans in the form of state or guaranteed securities, according to the market value. The valuation must be reviewed each six months, and in case of depreciation of the securities they must be brought up to the required amount. They must also be adjusted every six months to the changes in the volume of operation, and when an increase of the fund is necessary it must be effected within fifteen days under penalty of a fine up to 50 lire (\$9.65) per day for failure to comply with the requirement. In case of reduction of the number of persons insured, the administration of the insurance company may petition the ministry for permission to refund the difference, and such refunding may be accomplished by the bank upon order of the minister. In case of the discontinuance of a fund or association, such refunding is not made unless it is shown that all obligations of the company have been met. If the guarantee fund has been impaired by payment of compensation, it must be replenished within one month under penalty of cancellation of the authorization.

The administration of each private insurance company must furnish to the ministry monthly reports of the status and changes of insurance. The annual statements of accidents and compensation must also be published, and for this purpose a register of all accidents must be carried, giving information of establishments, time and place of accidents, their causes, all necessary information in regard to the injured, the injury, and the compensation.

All accident insurance companies are subject to regular examinations by the Ministry of Agriculture, Commerce, and Industry.

Notwithstanding the rigorous demands of the laws and regulations concerning reports from the private insurance companies, the

statistical information concerning their operation is very scanty and fragmentary. The organization of these companies has been already referred to in the chapter devoted to the general application of the law. Unfortunately neither the number of persons insured nor the number of persons compensated is available, so that a comparison must be made upon the respective amounts of premiums received and of compensation paid. The comparison is not unfavorable, since it shows an increase in the share of premiums distributed as compensation from 73.8 per cent in 1902 to 87.1 per cent in 1906.

AMOUNT OF PREMIUMS RECEIVED AND OF COMPENSATION PAID BY PRIVATE INSURANCE ASSOCIATIONS IN ITALY, BY YEARS, 1901 TO 1906.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, August, 1906, and September, 1908.]

Year.	Premiums received.	Compensation paid.	
		Amount.	Per cent of premiums.
1901.....	\$567,825	\$460,414	81.1
1902.....	646,715	477,120	73.8
1903.....	601,527	459,044	76.3
1904.....	1,129,285	810,553	71.8
1905.....	1,431,049	1,146,369	80.1
1906.....	1,637,595	1,426,456	87.1

EMPLOYERS' VOLUNTARY MUTUAL ASSOCIATIONS.

It was the avowed intention of the law to stimulate mutual accident insurance among employers by the formation of mutual associations according to the German type. Such mutual associations may be organized by employers who together employ at least 4,000 persons, whether in the same line or in different lines of industry. The organization of each association requires the authorization of the Government, and in addition there are stringent regulations concerning control, accountancy, and guarantee in order that the employees insured in these mutual associations may receive protection equal to that given to persons insured in the National Accident Insurance Institution or in private insurance companies.

Employers' mutual associations must be organized in writing, the articles of incorporation to contain a list of members and establishments included in the association; also evidence of the deposit of the required guarantee fund and of the approval of the constitution by all the employers who intend to join the association, and, finally, evidence of payment of half the annual insurance premiums which the national insurance institution would require for insurance of all the establishments in the association, this initial payment to serve as a fund to begin the operations of the association.

The constitution of the association must contain the usual regulations as to the constituency, the meetings, the administration, and

the financial operations, such as the methods of distribution of the employers among the risk classes, methods of settling disputes within the association, surveillance over the establishments belonging to the association, conditions of liquidation of the association, amendments to the constitution, etc.

The articles of incorporation and the constitution must be sent to the ministry for approval or amendment, with all the necessary documents, such as evidence of the payment of the required guarantee fund, a statement from the national institution as to the amount of insurance premiums which the association employers would have to pay, and a list of members, with numbers of workmen to be insured. With the final approval of the constitution by the ministry the association is legally organized. The expenditures of the association are covered by means of annual assessments upon the membership, the amount of the assessments being based upon the expenditures for the preceding year.

All these mutual associations which are authorized to act as substitutes for regular insurance companies must guarantee a scale of compensation which is in no particular inferior to that established by the law, and to assure the solvency and ability of the associations to meet the obligations assumed they are required to place guarantee funds with the Bank of Deposits and Loans, in accordance with the regulations of the minister.

The requirements concerning these guarantee funds contained in the law and the regulations are very strict, since they are the only protection of the injured workman or his family against a dishonest or mismanaged employers' mutual insurance association.

For the employers' mutual accident insurance associations the guarantee fund must equal 10 lire (\$1.93) per insured employee, but not over 250,000 lire (\$48,250). In addition, a further guarantee is given by the provision that when an association is unable to meet its obligations for payment of compensation the liability reverts to the person responsible for the insurance, i. e., the employer.

The regulations concerning the guarantee funds of the private insurance companies mentioned above also apply to the guarantee funds of the mutual insurance associations.

The formation of voluntary mutual employers' associations proceeded but slowly after the enactment of the first law, in 1898. The first one to organize was the Sindacato Subalpino, in Turin, on November 30, 1898, with over 1,000 employers and some 40,000 employees in various branches of industry. The mining employers' mutual association in Iglesias was authorized on March 31, 1899, with some 15 employers and some 15,000 employees. These were the representatives of two different types of mutual insurance associations, the one

consisting of a few large employers in one definite industry and the other of a large number of small employers in many different branches.

Two more associations were formed early in 1900, the Syndicate League, in Genoa, and the Association for Employers on Public Works (*Sindacato fra Impresari d'Opere Pubbliche*), in Florence, both consisting of several hundred employers and from five to six thousand employees. Thus there were only four associations when the revision of the law took place.

Since then the formation of voluntary mutual associations proceeded at a much more rapid rate. Besides the compulsory associations, three voluntary ones were formed in 1904—for employment in naval ports, with headquarters in Genoa, April 5; for seamen, Genoa, April 15; and Sideros, for miscellaneous industries, Genoa, December 20; three in 1905—lumbering industry, Rome, March 10; the Cisalpino, in Milan, December 20; and for miscellaneous industries and building trades, Genoa, December 21; and two in 1906—one in Naples, December 4, and one in Genoa, both for miscellaneous industries.

The amendments of the law seem to have greatly stimulated the development of voluntary mutual accident insurance, since from 1903 to 1905 the number of insured persons increased 150 per cent. While the cost of such insurance greatly varies from one mutual association to another, in view of the differences in the trade risks of industries covered, the relation between the total amount of compensation paid and the premium seems, on the whole, to be a favorable one, indicating a moderate administrative expense.

#### OPERATIONS OF EMPLOYERS' VOLUNTARY MUTUAL INSURANCE ASSOCIATIONS OF ITALY, 1901 TO 1906.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, August, 1906, and September, 1908.]

Year.	Number of—		Amount of—			Average premium per—		Average indemnity per—	
	Employers.	Employees insured.	Wages insured.	Premiums received.	Compensation paid.	Insured employee.	\$1,000 of wages insured.	\$1,000 of wages insured.	\$1,000 of premium received.
1901.....	(a)	(a)	\$6,037,116	\$51,840	\$43,313	(a)	\$3.59	\$7.17	\$836
1902.....	(a)	(a)	6,861,861	61,928	44,552	(a)	9.02	6.49	719
1903.....	1,689	62,793	6,985,353	66,854	53,878	\$1.06	9.57	7.71	806
1904.....	2,523	83,191	11,273,337	283,657	187,783	3.41	25.16	16.66	662
1905.....	2,893	109,687	16,220,045	464,943	332,365	4.24	28.66	20.49	715
1906.....	3,255	152,587	21,278,521	627,292	512,539	4.11	29.48	24.08	817

a Not reported.

#### PRIVATE AND COOPERATIVE FUNDS.

The private funds, whether of an individual establishment (*cassa privata*) or of several establishments combined (*cassa consorziale*), represent a transition from the principle of insurance to that of

compensation by the individual employer, although a private fund which is supported by a combination of several employers closely approaches an employers' mutual accident insurance association. The permission to private employers to substitute a fund for the obligation of insurance was mainly due to the desire to preserve such funds where they already existed and also to provide for comparatively large employers, who could ascertain in advance with considerable accuracy the probable cost of accident compensation. As in the case of mutual associations, private funds require authorization, must furnish guaranties, and are subject to government control.

A private fund may be organized either by an individual establishment or by several establishments in the same industry or in the same locality. The authorization of the ministry is necessary, and such authorization is granted upon petition, which must give all necessary information as to the establishments, together with a statement from the national insurance institution as to the annual amount of insurance premiums which would be required to purchase insurance for the risk, and evidence of having complied with the requirements as to the guaranty. The private funds are governed by their respective constitutions, which must state the scale of compensations paid. This scale must not be lower than that prescribed by the law.

When the private fund is organized by several establishments joined for that purpose, the constitutions must state the period for which such union is affected, methods of determining the coefficient of risk of each establishment and the contribution of each establishment, conditions for admission of other establishments, provision for collective responsibility, methods of amending the constitution, and liquidating the fund if necessary. The ministry may introduce changes in the constitution of such funds with the approval of the council of state and publish them as royal decrees.

For the private funds the guarantee fund must not be less than five times the insurance premiums in accordance with the rates of the National Accident Insurance Institution, if the membership does not exceed 2,000, and three times the insurance premium but not less than 40,000 lire (\$7,720) for the largest funds. The same conditions relative to the management of the guarantee fund—concerning dissolution, reinsurance, examination of accounts, etc.—which have been given in connection with the mutual associations, also apply to the private funds.

Three cooperative funds were authorized in 1899, one in 1901, three in 1904, two in 1906, and one in 1907; one of these suspended operations in 1905 and one in 1906. At the end of 1906 there were known to exist seven such cooperative funds. One of these covered nearly 20,000 employees, two about 6,000 each, one over 2,000; the three remaining protected less than a thousand employees each.

OPERATIONS OF COOPERATIVE INSURANCE FUNDS OF ITALY, 1901 TO 1906.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, August, 1906, and September, 1908.]

Year.	Number of—		Amount of—			Average premium per—		Average compensation per—	
	Employers.	Employees insured.	Wages insured.	Premiums received.	Compensation paid.	Insured employee.	\$1,000 of wages insured.	\$1,000 of wages insured.	\$1,000 of premium received.
1901.....	(a)	(a)	\$605,556	<sup>b</sup> \$6,071	\$3,214	.....	\$10.03	\$5.31	<sup>b</sup> \$52.94
1902.....	(a)	(a)	583,329	17,963	3,919	.....	30.79	6.72	21.82
1903.....	509	18,539	579,216	7,813	3,495	\$0.42	13.49	6.03	44.73
1904.....	805	24,734	1,826,369	20,487	5,304	.83	11.22	2.90	25.89
1905.....	994	28,346	2,319,157	23,233	8,343	.82	10.02	3.60	35.91
1906.....	1,225	35,662	2,813,982	29,453	14,992	.83	10.47	5.33	50.90

<sup>b</sup> Not including 1 association not reporting premiums received.

<sup>a</sup> Not reported.

Eight private funds for individual establishments qualified in 1899 and 2 in 1900. In 1903, 1904, and 1905, 11 more were organized. One of them, in the large cotton manufacturing establishment in Turin, had a membership of 3,600 and 1 of 2,800. Three of them are organized in connection with establishments employing from 1,000 to 2,000 persons, and 9 in connection with establishments employing fewer than 1,000 persons each. It will be unnecessary to give here the detailed figures concerning each of the twenty or more private funds existing in Italy at the end of 1906. The total data have been given in connection with the general discussion of the results of the operation of the accident insurance law.

PROPOSED REFORMS.

The rapid increase in the number of accidents and in the number of cases carried into court created the feeling in administrative circles that the administration of the law, notwithstanding the various efforts at reform, was lax and open to criticism. As early as 1903, during the parliamentary debates preceding the adoption of the amendatory act of June 29, 1903, both chambers passed resolutions requesting the Government to prepare legislative proposals for the establishment of special tribunals for the adjudication of actions arising under this law and for the simplification of the judicial procedure in such actions.<sup>(a)</sup>

In conformity with these resolutions, on May 31, 1905, a commission was appointed for the study of the question. The commission admitted that the regular tribunals—accustomed to consider cases according to the well-established principles of the common law—were not well adapted to sit in cases arising under this special act, which was based upon a different conception of the relations between capital and labor than that held in common law. It recognized,

<sup>a</sup> Bollettino di Notizie sul Credito e sulla Previdenza, 1908, p. 256.



however, that the ordinary courts had an advantage over special tribunals in the general sense of legal rights and the definite habits of legal reasoning, due to experience and to professional training. The commission did not see its way to recommend the organization of special tribunals, but admitted that the adjustment of claims should not be left entirely to the individual bargaining of both parties, because the workmen or their dependent relatives do not have the necessary understanding of the correct value of their claims. It therefore suggested that in all cases the local administrative officers (*pretori*) act as intermediaries, representing the State and adjusting the claims on a basis equitable to both parties; that all decisions of the "pretori" up to 1,500 lire (\$289.50) be final and without appeal, and in such cases where larger sums are concerned the appeals be considered by the ordinary courts of appeal; that by appropriate administrative decrees attorneys at law be discouraged from interfering with the administration of the law; and that the fees of attorneys and medical and other experts be regulated by decree.

This plan, expressed in a draft of a bill published toward the end of 1905, came up for discussion in the Superior Council of Labor. In the last session of 1905 the council, in view of the serious abuses of the law in Rome, instructed the Bureau of Labor in cooperation with the General Office of Credit and Provident Institutions to prepare a careful report concerning the administration of the law, and this report came up for discussion in the first session of the council for 1907. The suggestion of the commission of 1905 to delegate the important judicial powers to the "pretori" did not meet with the approval of the council. It was argued that these administrative officers had neither the time nor the necessary medical or technical training for the consideration of these claims; that they were not free from local influences, and were likely to be more influenced by the employers and insurance institutions than by the workmen. As to the best substitutes for such administrative intervention, the suggestions offered embraced special courts, an autonomous central insurance office in Rome, and the adaptation of special simplified methods of procedure in the ordinary courts.

A careful study of all these suggestions and of the legislation and practice of other European countries formed the basis for a bill for the reform of administrative procedure in connection with accident insurance, which was introduced on March 13, 1908, by the minister of agriculture, industry, and commerce, in the Chamber of Deputies.

The legislative proposal introduced by the ministry is divided into two distinct parts. The first deals with the specific problem of disputes arising under the law and the second aims at a general reform of administrative procedure.

The arguments in favor of special tribunals prevailed. The bill proposes the organization of special provincial or distinct commissions for consideration of controversies arising under this law. A commission is to be established in the capital of each Province to have jurisdiction of that Province. If necessary, separate commissions may be established by royal decree, upon recommendation of the minister of agriculture, in separate districts (*circondario*), with jurisdiction over that district, which is then taken out of the jurisdiction of the provincial commission. Thus the effort is to provide all industrial localities with commissions conveniently located, so that there may be no hardship to the poor claimant.

Each commission is to consist of three members, the president of the local tribunal, the provincial physician, and the local chief engineer, they furnishing the expert knowledge necessary for the proper consideration of the claims—law, medicine, and engineering.

The procedure before these special tribunals is to be much simpler than in the regular courts.

Minors over 18 years may appear in their own cases, and married women do not require the authorization of the husband. Attorneys or counsel are not necessary. Proceedings must be oral, as a rule. Briefs may be filed only by permission of the commission. Witnesses may be examined by the commission, and in the examination of witnesses, as well as in the entire procedure, the legal rules of procedure are not obligatory.

Considerable stress is laid upon the technical features of the case, the examination of which may be made either by the entire commission or by any one of its members delegated for that purpose. The commission or the member delegated may visit the place of accident or any other place necessary to verify the statements of the injured employee or any witness.

Thus the commission is given the right and opportunity to inform itself in a most direct manner with all the facts in the case. In addition, it is given the right to appoint outside medical or technical experts when necessary, these experts to be assisted by the respective members of the commission. The orders of the commission have the force of judicial orders. It may order provisional payments or the deposit of guarantee funds. Its final sentences must be immediately put into execution, but they may be carried to the court of cassation in Rome on a writ of error only.

The expenditures of the commission are to be charged to a special fund of the Ministry of Agriculture, Industry, and Commerce, to which contributions are to be levied upon the National Accident Insurance Institution and other insurance institutions. Exemption from stamp and registry duties are to be conferred upon all acts in connection with the proceedings of these courts.

The last twelve articles of the bill (articles 22 to 33) suggest various reforms in the administration of the law, which are almost all directed toward increasing the control over the claimants and thus preventing the abuse of the law through fraud and malingering. The proposals are important as indicating the practical difficulties which necessarily must arise in the administration of an accident insurance law unless proper methods are early taken for their prevention. One of the most troublesome details in such administration, even in cases of admitted validity, is the proper method of determining the exact duration of disability, to exaggerate which there is a frequent tendency among the injured employees.

Furthermore, aside from the cases of malingering and of deception as to the length of disability, the possible carelessness in taking measures necessary for hastening recovery must be taken into account, such carelessness being due either to ignorance or to the desire to prolong the duration of benefits.

To meet these difficulties, the bill undertakes to grant to the insuring institutions the right to exercise medical control over the injured person, such control to consist of visits of a physician representing the insurance institution. The bill further provides that the injured employee shall be subject to the visit of the institution's physician; shall appear in proper medical institutions indicated by the insurance institution for the purpose of having a thorough medical examination made in order to ascertain the results of the injury, or submit to such treatment which, while being without danger, may, in the opinion of the insurance institution's physician, relieve the consequences of the accident. If the employee without good reason declines to accede to requests for any of the three enumerated measures, his compensation may be partially reduced or altogether discontinued.

While these proposals are mainly directed at the ignorance or carelessness of the injured employee, other measures are proposed for the purpose of preventing or detecting fraud and malingering. The bill intends to deprive the employee of his right to compensation under the law when (1) he has simulated or exaggerated or actually aggravated the consequences of the accident, (2) when he has returned to work while continuing to receive his daily allowance, or (3) when he has in any other way tried to deceive the employer or the insurance institution.

Finally, the third important object aimed at by the new bill is to discourage unnecessary litigation. The commission which prepared the bill recognized that frequently attorneys are responsible for fraudulent claims or unnecessary lawsuits, and the measures for counteracting these evils are directed partly against the claimants

but primarily against the attorneys or any other intermediaries. The bill intends to prohibit any attorney from offering his services to the claimant in such cases. Persons who offer their own services or the services of other persons as such intermediaries are to be fined for the first offense up to 300 lire (\$57.90) and for a second offense up to 2,000 lire (\$386). Officials who, having received notice of accidents, give information to intermediaries so as to enable them to offer their services are to be similarly punished. All contracts with intermediaries for payment of services rendered in connection with the obtaining of compensation for injured workmen under the law shall be null and void. While the compensation paid is not as a rule subject to cession or seizure, an exception is made in favor of court fees, which injured workmen or their beneficiaries may be required to pay in case of unsuccessful lawsuits.

These are the most important reforms proposed by the bill for the purpose of preventing the practice of malingering and the fraudulent claims from which the application of the accident insurance law in Italy has greatly suffered.

The bill was referred by the Chamber of Deputies to a parliamentary commission, which approved substantially all the provisions proposed.<sup>(a)</sup> The most important modification suggested by the commission was in the constitution of the special tribunals, which, instead of consisting of three officials already overburdened with many duties, are to consist of a judge, a physician, an engineer, and one representative for the employers and one for the employees.

The parliamentary commission did not stop there, however. It pointed out that the governmental bill was drawn on narrow lines in accordance with instructions given in 1905; that since that time the criticism to which the law of 1904 has been subjected and the experience gained through its administration, uncovered many other weak points requiring corrections, and the more important changes suggested were the following: A better definition of accident, so as to include all injuries caused during employment and not through employment only; the demand of immediate notice of accident; the payment of no compensation during the first three days of disability so as to eliminate the growing number of claims for very petty accidents; a more practicable method of determining the wages of the apprentices; the better regulation of the right of revision of compensation granted, which is to be limited to one time, etc. Perhaps the most important measure proposed is the limitation of insurance to the National Accident Insurance Institution, though without interfering with the rights of mutual insurance associations and private accident funds. The measure is directed against the writing

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<sup>a</sup> Bollettino di Notizie sul Credito e sulla Previdenza, 1908, pp. 1030 to 1123.

of accident insurance by private insurance companies, since it was shown by investigation that their profits are large and constitute a heavy and nonproductive burden upon the industry.

#### PROPOSED INSURANCE FOR AGRICULTURAL LABORERS.

One of the questions raised by this parliamentary commission in its report was the possibility of extending the provisions of the accident insurance law to the agricultural laborers, who are much more numerous than the industrial workers. The commission expressed its general sympathy with the proposal but dismissed it for the present time because of practical difficulties.

Independently of these general governmental efforts at reforming the law, the question of accident insurance for agricultural laborers has come up in the Italian Parliament and the movement in its favor is gradually growing. As early as 1902 the question was seriously discussed in the Chamber of Deputies. On January 31, 1907, a bill to that effect was introduced in the Senate; and while the bill did not accomplish very much, a more carefully prepared bill with an extensive report was reintroduced on March 20, 1909.<sup>a</sup>

In connection with the first bill a report was made in which it was argued that the conditions of work on land were so different from the conditions in the factory or mine that a separate law was preferable to an amendment to the old law, simply extending it to the agricultural labor. The bill of 1907<sup>b</sup> imposed upon the owner of the farm, who managed it himself or through a hired manager, or the money or share tenant, the duty to insure the laborers he employed against industrial accidents. The insurance obligation included also the state, provincial, or communal government bodies owning agricultural land. The insurance was to be effected either through the existing insurance institutions or through special voluntary agricultural employers' associations, which might be made compulsory by the minister. Workmen employed in tending agricultural machinery operated by mechanical power remained subject to the old law. The scale of compensations proposed was simple and rather crude: 2,500 lire (\$482.50) for death or total permanent disability and full wages for temporary disability. The bill also contained a long list of operations or occupations which were to be classified as agricultural, and this included: Plowing, sowing, grass mowing, transporting and handling hay, reaping and harvesting, tending stock, trimming trees, gathering, transporting, and pressing grapes, rearing silkworms, gathering mulberry leaves, fruit gathering, tree planting, cleaning of privies, sewers, irrigation ditches, etc., butter and cheese making, and repairing of farm buildings and of agricultural machinery and implements.

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<sup>a</sup> Bollettino dell' Ufficio del Lavoro, Vol. XI, 1909, pp. 700-744.

<sup>b</sup> Bollettino dell' Ufficio del Lavoro, Vol. VII, 1907, p. 365.



During the two years that intervened between the introduction of the first and second bill the question was extensively discussed by many agricultural societies. In a lengthy report accompanying the later bill many cases were cited of approval of the intent of the bill by agricultural associations. The criticisms were directed against the details of the bill. For this reason these details were considerably modified in the latter bill, which presents very peculiar provisions.

The bill is very broad in its intent. It aims to include all agricultural labor hired for the cultivation of the soil, or any subsidiary occupations, necessary in farming, even if for a few days or hours. Those branches of agricultural labor which are covered by the general accident insurance law, such as forestry work, tending machinery, hydraulic work, leveling, road making, etc., are left undisturbed when these forms of labor are performed as independent occupations. But if they lose their industrial nature, and become forms of ordinary farm labor, they are to be treated as such.

An original feature of the bill is that which puts the responsibility for carrying the insurance upon the owner of the land, and not upon the person operating the farm or estate. But while the civil responsibility is intended to rest entirely upon the owner of the land, tenants are required to contribute one-half of the premium if they rent more than 4 hectares (9.9 acres), and one-third if renting from 1 to 4 hectares (2.5 to 9.9 acres). Tenants renting less than 1 hectare (2.5 acres) are not expected to contribute any share of the premiums.

The obligations of insurance obtain even for small holdings cultivated by the members of the family, whether the head of the family is tenant or proprietor. In the latter case the head of the family is held responsible for the insurance obligation.

The compensation scale is rather crude, as in the first bill; it requires 2,500 lire (\$482.50) for a fatal accident if the victim is married, and 1,000 lire (\$193) if single. In case of total permanent disability the compensation is 2,500 lire (\$482.50), whether single or married. For temporary disability there is a daily allowance of 1 lira (19.3 cents) for single persons and 1.50 lire (29 cents) for married persons. No account is taken of differences in earning capacity, age, etc. While accidents leading to partial permanent disability are referred to in the law, no scale of compensation is provided for those, and no regulations are given concerning the distribution of compensation in fatal accidents. This is the more remarkable, as the existing Italian laws are very explicit concerning these problems.

The modern Italian tendencies concerning accident insurance are seen in the provisions of the bill, granting to the National Accident Insurance Institution the exclusive right to insurance, except that mutual associations may be formed; and the minister of agriculture



is given the right to organize compulsory mutual associations whenever he may think any necessary.

Perhaps the most novel features of the bill proposed is the method of assessing the cost of insurance. It is based not on the number of persons employed or the wage expenses, but on the acreage of the land. A considerable advantage of simplicity may be claimed for this plan. For the purposes of each assessment the land is divided into six classes: (1) Irrigated land; (2) dry land used for grass, hay, hemp, flax, vegetables, and fruit; (3) land cultivated for one-third, and left for grazing for two-thirds; (4) land under extensive cultivation for vegetables; (5) wood lots; and (6) alpine pasture lands. It is still more remarkable, both in view of the very unsatisfactory conditions of Italian accident statistics in general, and statistics of accidents in agriculture in particular, that the law undertakes to establish the rate of accident insurance premiums for each grade of land—namely, 1.10 lire per hectare (8.6 cents per acre) for land of groups 1 and 4, 0.90 lira per hectare (7 cents per acre) for land of second group, 0.70 lira (5 cents per acre) for the third group, 0.40 lira (3 cents per acre) for the wood lots, and 0.20 lira (1.5 cents per acre) for the alpine pasture lands. For estates extending over 20,000 hectares (49,420 acres) these rates are reduced by one-third, and if extending over 50,000 hectares (123,550 acres), by one-half. Provision is made in the bill for revision of these rates after two years of experience.

The number of agricultural laborers in Italy is so much larger than that of industrial employees that the problem is one of very great importance. According to the census of 1901, persons employed in agriculture numbered over nine and a half millions as against less than 4,000,000 employed in industry.

#### STATISTICS OF INDUSTRIAL ACCIDENTS.

The principal statistics of industrial accidents were given in discussing the general application of the law (pages 1736 to 1744). In addition to the grand totals of the number of accidents, detailed accident statistics contain very important material for the understanding not only of the problem of accident insurance, but also of industrial accidents in general. While Italian accident statistics are exceedingly fragmentary, they nevertheless contain much that is valuable and are therefore reproduced here.

Both government institutions concerned with the problem of workmen's insurance have at different times taken up the question of industrial accident statistics, namely, the Bureau of Credit and Savings Institutions (*Divisione Credito e Previdenza*, at present *Divisione Generale del Credito e della Previdenza*), and the Bureau of Labor (*Ufficio del Lavoro*), both in the Ministry of Agriculture, Indus-

try and Commerce (*Ministero di Agricoltura, Industria e Commercio*). Ample legal authority for collection of statistics of industrial accidents is contained in the general law and the regulations, and as early as 1901 a very comprehensive scheme for the collection and elaboration of such statistics was published in the *Bollettino di Notizie sul Credito e sulla Previdenza* (Vol. XIX, p. 525, 1907), but not until August, 1906, were the results of the elaboration of the data for 1901 and 1902 published. Moreover, the report for 1901 covers only 27,653 out of 62,699 accidents recorded, and the data are not satisfactory even for these. These data have therefore not been utilized in the analysis which follows. The report for 1902 is much more complete, including 57,617 out of 63,369 cases. It classifies accidents by industries, causes, results, and nature of injury. No later accident statistics have been published by this bureau. The Italian Bureau of Labor, organized early in 1904, began to publish reports on accident statistics in July, 1904, and altogether its statistics cover a period of two and one-half years—July, 1904, to December, 1906. Its earlier reports covered periods of three months each. A report for the entire year 1905 appeared in the spring of 1907, and one for the year 1906 in the summer of 1907. No other reports appeared until August, 1909, when a few data for July to September, 1908, were published, and in January, 1910, the data for October to December, 1908, and also totals for the six months—July to December, 1908. But somewhat unfortunately these reports are far from uniform. Their elaboration was begun on a very large scale, but soon the extent of the analysis was materially reduced, the report for 1905 being much simpler than for the last six months of 1904, and the data for 1906 containing very little except totals, so that no very extended analysis is possible except for the last six months of 1904.

The reports for 1905 contain the data by months, geographical division, insurance institution, industry, cause, age, and sex, but all the tables concerning the time have been eliminated. The combinations are mainly those of geographical division with the other factors enumerated, and there are also combinations of industry, sex, and age; industry and cause; and cause, sex, and age.

Finally, the report for 1906 contains data by geographical divisions, sex, and industry only, but no data concerning cause, time, or age; and the report for 1908 is limited to a simple classification by geographical divisions and branches of industry.

In the following table the number of accidents is given by industries for 1902, July to December, 1904, 1905, 1906, and July to December, 1908. Because of absence of reliable statistics of persons employed in these industries, it is impossible to compute accurate accident rates. The proportion of accidents to females has not changed very much, being 6.2 per cent of the total for July to December, 1904,

5.7 per cent in 1905, and 6 per cent in 1906. The metal-working industry (primarily iron), building and construction, mining, and textiles claimed the vast majority of the industrial accidents in 1906, over 63 per cent.

NUMBER OF ACCIDENTS IN SPECIFIED YEARS BY INDUSTRIES, 1902 TO 1906.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, August, 1906, and Bollettino dell' Ufficio del Lavoro, March and June, 1905, and March and June, 1907.]

Industry.	1902.	July to December, 1904.			1905.			1906.			July to December, 1906.
		Male.	Female.	Total.	Male.	Female.	Total.	Male.	Female.	Total.	
Agriculture and forestry.....	460	800	67	957	1,945	80	2,025	2,328	51	2,379	1,120
Mining.....	10,947	5,892	27	5,919	13,646	46	13,692	18,979	97	19,076	6,989
Metallurgy.....		1,944	36	1,980	6,157	38	6,195				
Bricks, pottery, and glassware.....	1,917	1,387	83	1,470	4,046	195	4,241	5,635	264	5,899	5,673
Metal working.....	13,331	9,943	274	10,217	29,731	579	30,310	47,330	618	47,948	21,399
Electric industry.....	649	546	19	565	1,775	18	1,793	(a)	(a)	(a)	(a)
Woodworking.....	1,327	1,345	25	1,370	3,131	41	3,172	4,941	159	5,100	2,911
Chemicals, etc.....	2,592	2,257	222	2,479	5,537	411	5,948	9,410	402	9,812	4,911
Printing and paper...	1,371	882	169	1,051	2,071	402	2,473	2,886	530	3,416	1,939
Textiles.....	6,580	2,516	1,668	4,184	6,753	4,224	10,977	8,806	6,569	15,375	7,662
Leather and other animal products.....	728	396	43	439	1,199	80	1,279	1,716	182	1,898	1,213
Clothing.....	783	521	138	659	1,017	359	1,376	1,053	293	1,346	825
Food products.....	2,759	2,334	83	2,417	5,528	184	5,712	7,907	589	8,496	5,469
Building and construction.....	9,007	7,550	38	7,588	17,300	82	17,382	23,129	114	23,243	14,184
Loading and unloading, lifting, carrying, etc.....	(a)	1,551	1	1,552	4,356	8	4,364	3,874	33	3,907	5,431
Railroad transportation.....	(a)	3,423	11	3,434	7,963	38	8,001	10,531	15	10,546	8,369
Transportation by water.....	(a)	490	6	496	1,229	10	1,239	3,635	1	3,636	619
All other.....	5,166	1,101	59	1,160	4,073	291	4,364	4,438	46	4,484	793
Total.....	57,617	44,968	2,969	47,937	117,457	7,086	124,543	156,598	9,963	166,561	89,483

a Not separately reported.

The causes of accidents for 1902, July to December, 1904, and for 1905, are shown in the following table. As the data were taken from two distinct sources, with somewhat different methods of classifying causes, they are not strictly comparable for 1902 and the two later periods.

The table shows that more than half of the industrial accidents occurring in 1904 and in 1905 were caused by landslides, falling bodies, striking against objects, and falls; 61.22 per cent of the total number of accidents in 1905 being attributed to these causes.

## CAUSES OF ACCIDENTS, 1902, JULY TO DECEMBER, 1904, AND 1905.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, August, 1906, and Bollettino dell' Ufficio del Lavoro, March and June, 1905, and March, 1907.]

Causes of accidents.	Accidents during—					
	1902.		July to December, 1904.		1905.	
	Number.	Per cent of total.	Number.	Per cent of total.	Number.	Per cent of total.
Motors.....	248	0.43	273	0.57	524	0.42
Power transmission apparatus.....	806	1.40	593	1.24	846	.68
Instruments and tools.....	6,028	10.46	3,710	7.74	9,371	7.52
Working machinery.....	8,611	14.94	5,278	11.01	11,642	9.35
Elevators, hoists, cranes, etc.....	776	1.35	273	.57	478	.38
Boilers and steam fittings.....	117	.20	83	.17	140	.11
Explosives.....	183	.32	89	.19	174	.14
Inflammable substances.....	3,916	6.80	190	.40	558	.45
Incandescent metals.....			1,361	2.84	3,512	2.82
Gases, liquids, etc., corrosive and other-wise harmful.....			1,196	2.49	3,435	2.76
Landslides and falling bodies.....	18,344	31.84	9,665	20.16	22,357	17.95
Striking against fixed or movable objects.....	(a)	.....	9,434	19.68	35,652	28.63
Sudden movements of the body.....	(a)	.....	4,954	10.33	12,525	10.06
Falls.....	9,916	17.21	7,113	14.84	18,236	14.64
Electric conductors.....	44	.08	42	.09	81	.06
Railroad accidents.....	40	.07	863	1.80	1,099	.88
Navigation.....	6	.01	126	.26	113	.09
All other.....	8,582	14.89	2,694	5.62	3,805	3.06
Total.....	57,617	100.00	47,937	100.00	124,543	100.00

\* Not separately reported.

The distribution of accidents by causes is further shown in the following table for each industrial group. Certain common causes are responsible for a large number of accidents in each industry; such are falling bodies, falls, striking against objects, etc.; but certain definite causes are more frequent in certain industries. Thus, working machinery is responsible for large numbers of accidents in the metal working and textile industries, landslides and falling bodies in mining and metal working, falls in building and construction and mines, etc.

NUMBER OF ACCIDENTS IN 1902, JULY TO DECEM

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, August, 1906, and

Marginal number.	Industry.	Number of accidents caused by—						
		Motors.	Power transmission apparatus.	Working machinery.	Elevators, hoists, cranes, etc.	Boilers and steam-fittings.	Explosives.	Combustibles, corrosives, gases, etc.
	1902.							
1	Mines and metallurgy.....	8	26	142	216	23	83	477
2	Bricks, pottery, and glassware.....	5	22	100	10	.....	2	233
3	Metal working.....	41	155	2,484	178	14	2	1,717
4	Chemicals, etc.....	11	23	171	27	22	13	430
5	Food products.....	41	105	500	34	10	.....	227
6	Wood working.....	3	33	547	4	1	.....	34
7	Textiles.....	22	271	3,075	31	13	1	245
8	Leather and other animal products.....	.....	15	121	1	2	.....	23
9	Clothing.....	2	27	360	.....	5	.....	43
10	Paper and printing.....	7	46	498	10	4	.....	45
11	Building and construction.....	29	14	72	167	5	62	165
12	Cars, vehicles, etc.....	2	13	211	30	2	.....	128
13	Transportation.....	30	4	75	44	7	.....	70
14	Electrical industry.....	14	7	70	2	.....	.....	45
15	Agricultural labor.....	32	42	128	13	7	20	16
16	All other.....	1	3	57	9	2	.....	18
17	Total.....	248	806	8,611	776	117	183	3,916
	JULY TO DECEMBER, 1904.							
18	Mines and metallurgy.....	16	29	181	41	10	35	504
19	Bricks, pottery, and glassware.....	2	12	81	2	2	2	110
20	Metal working.....	58	135	1,607	87	8	2	980
21	Chemicals, etc.....	8	26	166	11	10	20	317
22	Food products.....	21	64	317	13	14	3	197
23	Woodworking.....	10	23	318	4	.....	1	30
24	Textiles.....	19	171	1,470	17	9	.....	138
25	Leather and other animal products.....	.....	6	64	2	.....	.....	18
26	Clothing.....	2	19	245	.....	1	.....	21
27	Paper and printing.....	9	33	309	3	1	.....	40
28	Building and construction.....	16	13	86	32	3	12	172
29	Loading and unloading, lifting, carrying, etc.	2	.....	17	24	.....	.....	10
30	Railroad and water transportation....	77	14	101	24	17	6	120
31	Electrical industry.....	13	6	53	1	4	.....	25
32	Agriculture and forestry.....	16	40	165	6	3	2	18
33	All other.....	4	2	98	6	1	6	47
34	Total.....	273	593	5,278	273	83	89	2,747
	1905.							
35	Mines and metallurgy.....	29	36	369	119	8	94	1,433
36	Bricks, pottery, and glassware.....	7	17	189	5	2	.....	375
37	Metal working.....	135	200	3,828	156	46	6	2,959
38	Chemicals, etc.....	35	27	321	22	10	10	794
39	Food products.....	52	99	618	17	11	.....	362
40	Woodworking.....	10	15	545	4	4	.....	73
41	Textiles.....	83	242	3,443	11	29	.....	294
42	Leather and other animal products....	2	25	160	.....	.....	.....	38
43	Clothing.....	11	36	367	2	.....	1	48
44	Paper and printing.....	25	51	613	10	1	.....	57
45	Building and construction.....	29	22	207	39	8	50	438
46	Loading and unloading, lifting, carrying, etc.	6	4	36	35	.....	1	44
47	Railroad and water transportation....	51	18	231	36	11	3	276
48	Electrical industry.....	33	9	138	3	2	.....	93
49	Agriculture and forestry.....	7	36	210	5	5	4	41
50	All other.....	9	9	366	9	3	5	180
51	Total.....	524	846	11,642	473	140	174	7,505

\* This total is not the correct sum of the items; the figures are given as shown in the original report.

CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1811

BER, 1904, AND 1905, BY INDUSTRY AND CAUSE.

[Bollettino dell' Ufficio del Lavoro, March and June, 1908, and March, 1907.]

Number of accidents caused by—										Total accidents.	Mar- ginal num- ber.
Land- slides and falling bodies.	Falls.	Rail- road acci- dents.	Navi- gation.	Electric conduc- tors.	Instru- ments and tools.	Strik- ing - against fixed or mov- able objects.	Sudden move- ments of the body.	Load- ing and unload- ing, lifting, carry- ing, etc.	All other causes.		
5,225	1,902	5	.....	1	934	.....	.....	1,812	93	10,947	1
579	332	1	.....	.....	147	.....	.....	201	285	1,917	2
4,078	1,318	2	.....	2	1,910	.....	.....	1,266	164	13,331	3
664	540	.....	1	1	276	.....	.....	341	72	2,592	4
611	572	.....	.....	1	223	.....	.....	291	144	2,759	5
296	117	.....	1	.....	182	.....	.....	74	35	1,327	6
1,025	1,013	.....	.....	1	316	.....	.....	346	221	6,580	7
141	179	.....	.....	.....	110	.....	.....	94	42	728	8
87	103	.....	.....	.....	105	.....	.....	26	25	783	9
231	225	.....	.....	.....	206	.....	.....	65	34	1,371	10
3,230	2,395	4	1	13	1,011	.....	.....	1,709	130	9,007	11
669	337	.....	1	.....	284	.....	.....	112	18	1,807	12
1,100	549	27	1	4	178	.....	.....	612	121	2,822	13
153	169	1	.....	21	61	.....	.....	94	12	649	14
72	62	.....	.....	.....	28	.....	.....	21	19	460	15
183	103	.....	1	.....	57	.....	.....	55	48	537	16
18,344	9,916	40	6	44	6,028	.....	.....	7,119	1,463	57,617	17
2,746	1,180	.....	.....	.....	475	1,421	756	.....	505	7,899	18
253	202	.....	.....	.....	70	397	200	.....	137	1,470	19
2,006	770	4	.....	6	1,194	1,927	971	.....	462	10,217	20
339	357	.....	.....	3	172	490	432	.....	128	2,479	21
278	429	.....	.....	3	136	531	259	.....	152	2,417	22
221	109	.....	.....	.....	271	235	111	.....	37	1,370	23
306	538	.....	.....	4	181	693	315	.....	233	4,184	24
41	78	.....	.....	.....	63	67	66	.....	34	439	25
58	48	.....	.....	.....	85	120	35	.....	25	659	26
99	141	1	.....	2	124	162	91	.....	36	1,051	27
2,011	1,885	3	.....	8	416	1,659	971	.....	301	7,588	28
376	357	.....	.....	.....	25	322	178	.....	241	1,552	29
540	519	853	126	5	203	848	361	.....	116	3,930	30
70	134	.....	.....	10	65	102	52	.....	30	565	31
82	205	1	.....	.....	140	206	39	.....	34	957	32
149	161	1	.....	1	90	254	117	.....	223	1,160	33
9,665	7,113	863	126	42	3,710	9,434	4,954	.....	2,694	47,937	34
5,698	2,864	2	.....	.....	1,099	4,635	1,963	.....	538	a 19,887	35
555	554	.....	.....	1	175	1,482	626	.....	252	a 4,241	36
5,091	2,319	1	2	15	3,093	9,034	2,756	.....	699	30,310	37
646	875	2	.....	4	392	1,898	928	.....	184	5,948	38
616	1,060	.....	.....	4	323	1,686	649	.....	215	5,712	39
439	274	.....	1	1	639	868	217	.....	82	3,172	40
1,003	1,352	1	.....	7	536	2,865	813	.....	298	10,977	41
100	215	.....	.....	.....	154	327	198	.....	60	1,279	42
79	86	.....	.....	1	260	359	83	.....	43	1,376	43
204	260	.....	.....	.....	336	626	229	.....	61	2,473	44
3,691	4,226	14	1	4	980	5,108	2,010	.....	555	17,382	45
974	1,003	5	.....	1	62	1,429	502	.....	262	4,364	46
1,239	1,559	1,073	107	10	557	3,033	777	.....	259	9,240	47
220	353	1	.....	31	144	492	221	.....	53	1,793	48
255	405	.....	.....	1	246	585	136	.....	89	2,025	49
547	831	.....	2	1	375	1,425	417	.....	185	4,364	50
a 22,357	18,236	1,099	113	81	9,371	35,652	12,525	.....	3,805	a 124,543	51



Information concerning the variations in the number of accidents by days of the week is available only for the six months, July to December, 1904. The actual number of accidents occurring during each day of the week is shown by industrial groups in the following table.

With the exception of the small number of accidents occurring on Sunday, the number of accidents for the different days of the week appears to be fairly uniform, but shows a tendency to increase toward the end of the week. The relations vary somewhat from industry to industry, probably due to local conditions of the industry.

NUMBER OF ACCIDENTS, BY DAY OF THE WEEK AND BY INDUSTRY, JULY TO DECEMBER, 1904.

[Source: Bollettino dell' Ufficio del Lavoro, March and June, 1905. Data obtainable only for July to December.]

Industry.	Number of accidents on—							Total.
	Sun-day.	Mon-day.	Tues-day.	Wed-nesday.	Thurs-day.	Fri-day.	Satur-day.	
Agriculture and forestry.....	68	147	135	124	145	159	179	957
Mining.....	238	872	915	1,054	915	989	936	5,919
Metallurgy.....	101	329	278	307	302	338	325	1,980
Bricks, pottery, and glassware.....	67	255	224	238	220	225	231	1,470
Metal working.....	350	1,631	1,613	1,608	1,618	1,673	1,724	10,217
Woodworking.....	29	225	209	209	209	237	252	1,370
Chemicals, etc.....	192	421	379	357	360	366	374	2,479
Paper and printing.....	42	192	184	158	136	164	175	1,051
Textiles.....	81	696	679	626	646	602	764	4,184
Food products.....	197	411	330	339	396	373	371	2,417
Building and construction.....	266	1,205	1,248	1,195	1,117	1,276	1,281	7,588
Loading and unloading, lifting, carrying, etc.....	109	224	245	241	224	248	261	1,552
Railroad transportation.....	326	525	512	516	509	539	507	3,424
All other.....	167	540	523	513	514	519	543	3,319
Total.....	2,233	7,673	7,474	7,515	7,321	7,798	7,923	47,937

The number of accidents occurring on the various days of the week are shown by the principal causes in the following table. The increase of the frequency toward the end of the week is noticeable in nearly all groups.

NUMBER OF ACCIDENTS, BY CAUSES AND BY DAY OF THE WEEK, JULY TO DECEMBER, 1904.

[Source: Bollettino dell' Ufficio del Lavoro, March and June, 1905. Data obtainable only for July to December.]

Causes of accidents.	Number of accidents on—							Total.
	Sun-day.	Mon-day.	Tues-day.	Wed-nesday.	Thurs-day.	Fri-day.	Satur-day.	
Instruments and tools.....	131	619	582	565	578	611	624	3,710
Working machinery.....	179	887	809	833	787	871	912	5,278
Incandescent metals.....	72	205	186	219	215	214	250	1,361
Landslides and falling bodies.....	398	1,451	1,542	1,524	1,511	1,677	1,562	9,068
Striking against fixed or movable objects.....	442	1,462	1,497	1,476	1,449	1,553	1,555	9,434
Sudden movements of the body.....	241	859	773	755	720	803	803	4,954
Falls.....	336	1,160	1,099	1,123	1,103	1,099	1,193	7,113
All other.....	434	1,030	986	1,020	958	970	1,024	6,422
Total.....	2,233	7,673	7,474	7,515	7,321	7,798	7,923	47,937

The distribution of the accidents by the hours of the day, as shown in the next table, shows a very marked variation, which may be explained by several considerations. The very small number of accidents occurring during the night hours, 9 p. m. to 6 a. m., is clearly seen. This is explained by the comparative infrequency of night work. The difference in the frequency of accidents in the three periods, 6 to 9 a. m., 9 a. m. to 12 m., and 12 m. to 3 p. m., requires a somewhat more complicated explanation. While the time periods are equal, three hours each, the second period represents a greater amount of work than either the first or the third period; greater than the first because all work does not begin as early as 6 a. m., and greater than the third because the period 12 to 3 p. m. includes the lunch hour. This will partly explain why the accident frequency is greater in the period 9 to 12 a. m. than in the period 6 to 9 a. m., and greater in the period 3 to 6 p. m. than in the period of 12 to 3 p. m., but the excess in either case is so large that this explanation alone does not seem to be sufficient; thus the relation of the frequency in the period 9 to 12 a. m. to that in the period 6 to 9 a. m. for all industries combined is 194 to 100, the relation in the period 3 to 6 p. m. to that of 12 to 3 p. m. is 180 to 100.

NUMBER OF ACCIDENTS, BY INDUSTRY AND BY HOUR OF OCCURRENCE, JULY TO DECEMBER, 1904.

[Source: Bollettino dell' Ufficio del Lavoro, March and June, 1905. Data obtainable only for July to December.]

Industry.	Number of accidents during—									Total.
	Hours before 12 m.				Hours after 12 m.				Time un-known	
	12 to 3.	3 to 6.	6 to 9.	9 to 12.	12 to 3.	3 to 6.	6 to 9.	9 to 12.		
Agriculture and forestry.....	15	25	141	248	182	221	124	28	28	957
Mining.....	78	202	981	1,857	1,150	1,115	275	165	96	5,919
Metallurgy.....	23	57	280	568	266	523	171	58	34	1,980
Bricks, pottery, and glassware.	22	87	265	445	164	380	95	44	18	1,470
Metal working.....	72	204	1,456	2,983	1,388	2,921	881	202	110	10,217
Woodworking.....	3	15	207	423	209	369	113	13	18	1,370
Chemicals, etc.....	38	83	353	704	360	636	186	91	28	2,479
Paper and printing.....	7	26	117	322	174	302	79	21	3	1,051
Textiles.....	52	99	672	1,191	525	1,146	397	79	23	4,184
Food products.....	35	91	350	655	347	589	209	93	48	2,417
Building and construction.....	68	149	1,182	2,332	1,005	2,076	496	146	134	7,588
Loading and unloading, lifting, carrying, etc.....	14	29	230	494	218	406	98	18	45	1,552
Railroad transportation.....	54	91	556	898	475	777	339	182	62	3,434
All other.....	33	54	462	962	439	877	223	55	214	3,319
Total.....	514	1,162	7,252	14,077	6,852	12,338	3,686	1,195	861	47,937

Considerable differences in the accident frequency are found to exist, when the accidents are analyzed by separate causes. Some of the fluctuations are not easy to explain, and may possibly be purely accidental in view of the comparatively small numbers with which the table is dealing.

### NUMBER OF ACCIDENTS, BY CAUSES AND BY HOUR OF OCCURRENCE, JULY TO DECEMBER, 1904.

[Source: Bollettino dell' Ufficio del Lavoro, March and June, 1905. Data obtainable only for July to December.]

Causes of accidents.	Number of accidents during—								Time un- known	Total
	Hours before 12 m.				Hours after 12 m.					
	12 to 3.	3 to 6.	6 to 9.	9 to 12.	12 to 3.	3 to 6.	6 to 9.	9 to 12.		
Instruments and tools.....	19	69	521	1,222	525	1,007	276	59	59	3,710
Working machinery.....	49	145	741	1,607	774	1,494	397	89	89	5,278
Incandescent metals.....	23	52	154	302	178	425	151	55	15	1,361
Landslides and falling bodies.....	121	235	1,473	2,985	1,496	2,405	607	237	143	9,055
Striking against fixed or movable objects.....	84	239	1,439	2,736	1,322	2,359	516	245	183	9,434
Sudden movements of the body.....	39	97	519	1,309	651	1,262	393	111	72	4,954
Falls.....	83	197	1,132	2,111	1,039	1,649	556	156	118	7,113
All other.....	95	106	990	1,736	861	1,363	302	222	194	6,427
Total.....	514	1,162	7,252	14,677	6,852	12,336	3,686	1,195	861	47,937

While both sexes show an increase of accident frequency toward the end of the week and also toward the close of each working period, this rise of frequency is slightly more pronounced in the case of the female employees than in that of the male workers.

### NUMBER OF ACCIDENTS, BY SEX, BY HOUR OF OCCURRENCE, AND BY DAY OF THE WEEK, JULY TO DECEMBER, 1904.

[Source: Bollettino dell' Ufficio del Lavoro, March and June, 1905. Data obtainable only for July to December.]

#### HOUR OF OCCURRENCE.

Sex.	Number of accidents during—									Total.
	Hours before 12 m.				Hours after 12 m.				Time un- known.	
	12 to 3.	3 to 6.	6 to 9.	9 to 12.	12 to 3.	3 to 6.	6 to 9.	9 to 12.		
Male.....	489	1,118	6,803	13,152	6,461	11,510	3,421	1,170	844	44,968
Female.....	25	44	449	925	391	828	265	25	17	2,969
Total.....	514	1,162	7,252	14,077	6,852	12,338	3,686	1,195	861	47,937

#### DAY OF THE WEEK.

Sex.	Number of accidents on—							Total.
	Sunday.	Monday.	Tuesday.	Wednesday.	Thursday.	Friday.	Saturday.	
Male.....	2,187	7,208	7,014	7,036	6,851	7,297	7,375	44,968
Female.....	46	465	460	479	470	501	548	2,969
Total.....	2,233	7,673	7,474	7,515	7,321	7,798	7,923	47,937

The accidents are classified by the nature of the injury for each industrial group in the table which follows, and in the second section of the same table are shown the percentage relations which have been computed for each industry, on a somewhat less expanded classification of injuries. The data are available only for the year 1902. Wounds, contusions, and fractures are classified together because frequently such injuries are combined in one casualty, and they constitute over nine-tenths of all injuries. Nearly 44 per cent of all injuries affect the upper extremities and almost 29 per cent the fingers alone, the frequency of injuries to the fingers of the right and the left hand being almost equal. Nearly one-fourth of all injuries affect the lower extremities, so that the wounds, contusions, and fractures of the extremities claim over two-thirds of all accidents. Injuries to the trunk are very much less frequent, and are mostly located in the chest. The variations in the nature of injuries in the various industries are considerable. The proportion of injuries affecting the upper extremities rises to nearly three-fourths in the clothing industry, and is only about one-third in building and construction, chemical industries, and the mines and metallurgical establishments, where accidents to lower extremities are much more frequent than in the clothing industry. The variations are plainly due to the differences in the nature of operations necessary in each industry.

A very close relationship exists between the cause of the accident and the nature of the injury. The accidents resulting from the handling of tools must necessarily cause injuries very much different from those caused by explosives or landslides. This relationship is shown in the second table following which gives the figures for 1902; the second section of the table summarizes the data on a percentage basis.

Working machinery must frequently injure the upper extremity, and particularly the fingers. Nearly two-thirds of all accidents due to this cause led to injuries of fingers, no very great difference being noticeable between the number of injuries to the right hand and to the left. Next in the frequency of injuries to the fingers follow accidents due to motors, to instruments and tools, and to power-transmission apparatus. Elevators, hoists, cranes, etc., affect the lower extremities, the head, neck, and trunk more frequently than the other forms of machinery. Boilers and combustibles lead to burns and scalds, while the injuries due to explosives are fairly evenly distributed over the body, as are those due to falls, landslides and falling bodies, and loading and unloading, lifting, carrying, etc.

## NUMBER AND PER CENT OF ACCIDENTS FOR WHICH BENEFITS WERE PAID BY THE

[Source: Bollettino di Notizie sul Credito  
NUMBER.]

Nature of injury.	Accidents in each specified industry.						
	Mines and met- allurgy.	Bricks, pottery, and glass- ware.	Metal- working.	Chem- icals, etc.	Food prod- ucts.	Wood- working.	Textiles.
<b>BURNS, SCALDS, ETC.</b>							
Single parts of body, not including eyes	135	204	1,414	292	173	22	187
Eyes.....	47	13	173	46	18	3	28
Several parts of body:							
Not including eyes.....	325	16	144	115	43	10	35
Including eyes.....	7	2	14	7	1	.....	2
The entire body.....	4	.....	1	3	1	.....	2
Total.....	518	235	1,746	463	236	35	254
<b>WOUNDS, CONTUSIONS, FRACTURES, ETC.</b>							
Right arm:							
Not including fingers.....	555	171	921	177	197	92	688
Including fingers.....	93	24	92	24	32	14	73
Fingers alone.....	1,068	224	2,115	297	453	344	1,465
Total.....	1,736	419	3,128	498	682	450	2,226
Left arm:							
Not including fingers.....	516	159	901	134	177	109	524
Including fingers.....	55	16	74	16	27	10	62
Fingers alone.....	996	220	2,328	255	385	323	1,145
Total.....	1,567	395	3,303	405	589	442	1,731
Both arms:							
Not including fingers.....	7	3	13	.....	4	3	15
Including fingers.....	2	2	9	4	.....	1	5
Fingers alone.....	4	3	11	4	4	1	2
Total.....	13	8	33	8	8	5	22
Right or left leg:							
Not including toes.....	2,697	365	1,793	432	483	162	1,015
Including toes.....	131	10	74	19	20	5	42
Toes alone.....	480	85	638	105	128	33	189
Total.....	3,308	460	2,505	556	631	200	1,246
Both legs:							
Not including toes.....	50	3	29	7	6	.....	7
Including toes.....	2	.....	2	2	.....	.....	3
Toes alone.....	1	.....	3	.....	1	.....	.....
Total.....	53	3	34	9	7	.....	10
Head and neck:							
Not including eyes.....	618	86	453	99	109	47	290
Including eyes.....	25	2	16	4	6	4	13
Eyes alone.....	604	44	605	67	53	27	130
Total.....	1,247	132	1,074	170	168	78	433
Trunk:							
Chest.....	239	28	124	54	42	12	41
Back.....	670	89	619	199	121	27	224
Shoulders.....	234	42	149	37	39	11	90
Ribs.....	79	9	38	10	30	9	31
Abdomen.....	57	11	79	21	37	5	56
Inguinal region.....	214	27	184	49	50	14	78
Other parts of trunk.....	130	18	67	15	24	10	39
Total.....	1,623	224	1,260	385	343	88	559
Other parts and several parts enumerated.....	869	39	245	92	91	29	98
The whole body.....	9	1	2	1	3	.....	.....
Total wounds, contusions, frac- tures, etc.....	10,425	1,681	11,584	2,124	2,522	1,292	6,325

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1817

VARIOUS INSURANCE INSTITUTIONS, BY NATURE OF INJURY AND BY INDUSTRY, 1902.

e sulla Previdenza, August, 1906.]

NUMBER.

Accidents in each specified industry.									Total.
Leather and other animal products.	Clothing.	Paper and printing.	Building and construction.	Cars, vehicles, etc.	Transportation.	Electrical industry.	Agricultural labor.	All other.	
19 5 1	42 1 3	33 4 11	61 97 25 7	103 18 8 1	59 10 10 1	33 3 16 2	22 1 10 2	15 2 2	2,814 469 774 45 12
25	46	48	190	130	80	54	35	19	4,114
81 4 125	64 6 253	132 19 328	517 71 900	119 3 286	214 25 344	59 7 65	51 6 55	45 4 64	4,083 497 8,406
210	323	479	1,488	408	583	131	112	113	12,986
59 4 130	41 5 208	109 14 311	462 62 1,005	117 10 268	152 17 288	53 2 72	35 7 54	37 1 87	3,585 382 8,075
193	254	434	1,529	395	457	127	96	125	12,042
4 1	1	1	20 7 18	1 6	7 5 8	2 2	1 1	1 2 1	81 38 67
5	1	1	45	7	20	4	2	4	186
108 3 17	55 5 10	176 11 47	2,070 75 370	299 17 78	645 14 114	109 5 16	72 10 18	101 2 24	10,582 443 2,352
128	70	234	2,515	394	773	130	100	127	13,377
2	1	1	52 2	4	27	4	3 1	2	197 12 5
2	1	1	54	4	27	4	4	2	214
31 15	12 3 20	81 2 20	737 15 297	95 3 143	165 4 73	46 4 26	23 1 9	46 1 11	2,888 103 2,144
46	35	53	1,049	241	242	76	33	58	5,135
9 42 19 5 12 13 4	3 14 11 2 1 7 1	11 44 11 14 11 6 8	185 512 151 58 43 187 101	8 70 27 7 22 30 13	69 177 74 27 28 77 25	10 27 10 6 6 12 4	16 9 7 5 2 9 7	10 29 14 8 7 3 4	861 2,873 926 338 398 960 470
104	39	105	1,237	177	477	75	55	75	6,826
14 1	14	15 2	889 9	50	161 1	39 7	22 1	14	2,681 87
708	737	1,323	8,815	1,676	2,741	593	425	518	53,484





## CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY.

1819

**BY THE VARIOUS INSURANCE INSTITUTIONS, BY NATURE OF INJURY AND BY  
1902—Concluded.**

**NUMBER—Concluded.**

Accidents in each specified industry.									Total.
Leather and other animal products.	Clothing.	Paper and printing.	Building and construction.	Cars, vehicles, etc.	Transportation.	Electrical industry.	Agricultural labor.	All other.	
			1		1				6
			1			2			4
				1					5
									4
728	783	1,371	9,007	1,807	2,822	649	460	537	57,617

**PER CENT.**

[illegible]

NUMBER AND PER CENT OF ACCIDENTS FOR WHICH BENEFITS WERE PAID BY  
OF ACCI-

[Source: Bollettino di Notizie sul Credito

## NUMBER.

Nature of injury.	Accidents caused by—					
	Motors.	Power transmission apparatus.	Working machinery.	Elevators, hoists, cranes, etc.	Bollers and steam fitting.	Explosives.
<b>BURNS, SCALDS, ETC.</b>						
Single parts of body, not including eyes...	1	.....	1	.....	62	18
Eyes.....					3	2
Several parts of body:						
Not including eyes.....	1	.....		.....	23	44
Including eyes.....						11
The entire body.....					1	1
Total.....	2	.....	1	.....	89	76
<b>WOUNDS, CONTUSIONS, FRACTURES, ETC.</b>						
Right arm:						
Not including fingers.....	31	128	851	52	2	3
Including fingers.....	6	21	131	8	2	3
Fingers alone.....	70	165	2,808	128	2	3
Total.....	107	314	3,790	188	6	9
Left arm:						
Not including fingers.....	19	100	631	47	6	4
Including fingers.....	2	12	102	6		1
Fingers alone.....	44	140	2,620	127	2	2
Total.....	65	252	3,353	180	8	7
Both arms:						
Not including fingers.....	1	2	10	2		
Including fingers.....		2	7			
Fingers alone.....	1	1	14	2		
Total.....	2	5	31	4		
Right or left leg:						
Not including toes.....	35	50	477	110	5	14
Including toes.....	2	3	18	6		
Toes alone.....	3	8	139	38	1	
Total.....	40	61	634	154	6	14
Both legs:						
Not including toes.....		4	7	1		
Including toes.....			4			
Toes alone.....				2		
Total.....		4	11	3		
Head and neck:						
Not including eyes.....	7	55	239	85	2	11
Including eyes.....	1	3	14	1		2
Eyes alone.....	4	9	254	6	2	5
Total.....	12	67	507	92	4	18
Trunk:						
Chest.....	3	9	29	23		
Back.....	2	7	45	37	1	7
Shoulders.....		18	38	11		5
Ribs.....		5	17	4		
Abdomen.....		4	16	3		1
Inguinal region.....	3	5	38	20	1	
Other parts of trunk.....		7	17	11	1	4
Total.....	8	55	200	109	3	17

THE VARIOUS INSURANCE INSTITUTIONS, BY NATURE OF INJURY AND BY CAUSE  
DENT, 1902.

e sulla Previdenza, August, 1906.]

NUMBER.

Accidents caused by—									Total.
Combustibles, corrosives, gases, vapors, etc.	Land-slides and falling bodies.	Falls.	Railroad accidents.	Navigation.	Electric conductors.	Instruments and tools.	Loading and unloading, lifting, carrying, etc.	Other causes.	
2,008	11	8	.....	.....	9	.....	1	5	2,814
463	1	.....	.....	.....	.....	.....	.....	.....	469
699	.....	1	.....	.....	5	.....	.....	1	774
33	.....	.....	.....	.....	1	.....	.....	.....	45
9	.....	.....	.....	.....	1	.....	.....	.....	12
3,902	12	9	.....	.....	16	.....	1	6	4,114
3	1,066	784	3	1	3	547	416	193	4,083
.....	142	61	.....	.....	.....	55	50	18	497
.....	2,756	512	6	.....	1	1,058	637	260	8,406
3	3,964	1,357	9	1	4	1,660	1,103	471	12,966
1	883	723	2	.....	1	652	353	153	3,585
.....	111	36	2	.....	.....	62	37	11	382
.....	2,353	443	3	1	.....	1,587	552	201	8,075
1	3,352	1,202	7	1	1	2,301	947	365	12,042
.....	19	33	.....	.....	1	3	4	6	81
.....	7	4	.....	.....	.....	5	9	4	38
.....	25	2	.....	.....	.....	6	14	2	67
.....	51	39	.....	.....	1	14	27	12	186
2	4,472	3,229	8	2	1	756	1,174	247	10,582
.....	292	39	.....	.....	.....	24	49	10	443
.....	1,539	183	.....	.....	.....	154	250	37	2,352
2	6,303	3,451	8	2	1	934	1,473	294	13,377
.....	75	70	1	.....	1	6	29	3	197
.....	4	1	.....	.....	.....	.....	3	.....	12
.....	2	.....	.....	.....	.....	1	.....	.....	5
.....	81	71	1	.....	1	7	32	3	214
4	1,238	756	1	.....	5	253	153	79	2,838
.....	40	30	.....	.....	.....	6	5	1	103
1	1,261	83	1	.....	1	448	33	36	2,144
5	2,539	809	2	.....	6	707	191	116	5,135
.....	195	321	3	.....	.....	73	193	12	861
.....	313	481	1	.....	.....	111	1,847	21	2,873
.....	250	258	1	.....	.....	43	235	16	926
.....	91	158	.....	1	.....	15	36	11	338
.....	70	181	.....	.....	.....	8	104	11	398
.....	128	161	.....	.....	.....	54	529	21	960
.....	127	184	1	.....	.....	18	88	12	470
.....	1,174	1,744	6	2	.....	322	3,082	104	6,826

NUMBER AND PER CENT OF ACCIDENTS FOR WHICH BENEFITS WERE PAID BY  
OF ACCIDENT,  
NUMBER—Concluded.

Nature of injury.	Accidents caused by—					
	Motors.	Power transmission apparatus.	Working machinery.	Elevators, hoists, cranes, etc.	Boilers and steam fitting.	Explosives.
<b>WOUNDS, CONTUSIONS, FRACTURES, ETC.—concluded.</b>						
Other parts and several parts enumerated.	12	47	82	46	1	37
The whole body.....		1	1			4
Total wounds, contusions, fractures, etc.....	246	806	8,609	776	28	106
Suffocation.....			1			
Drowning.....						
Poisoning.....						
Other lesions.....						1
Grand total.....	248	806	8,611	776	117	183

## PER CENT.

Burns and scalds.....	0.81		0.01		76.07	41.53
<b>WOUNDS, CONTUSIONS, FRACTURES, ETC.</b>						
Right upper extremity:						
Fingers alone.....	28.23	20.47	32.61	16.49	1.71	1.64
All other.....	14.92	18.49	11.40	7.73	3.42	3.28
Total.....	43.15	38.96	44.01	24.22	5.13	4.92
Left upper extremity:						
Fingers alone.....	17.74	17.37	30.43	16.37	1.71	1.09
All other.....	8.47	13.89	8.51	6.83	5.13	2.73
Total.....	26.21	31.26	38.94	23.20	6.84	3.82
Both arms:						
Fingers alone.....	.40	.12	.16	.26		
All other.....	.40	.50	.20	.26		
Total.....	.80	.62	.36	.52		
Total upper extremity:						
Fingers alone.....	46.37	37.97	63.20	33.12	3.42	2.73
All other.....	23.79	32.87	20.11	14.82	8.55	6.01
Total.....	70.16	70.84	83.31	47.94	11.97	8.74
Lower extremities:						
Toes alone.....	1.21	.99	1.61	5.15	.86	
All other.....	14.92	7.07	5.88	15.08	4.27	7.65
Total.....	16.13	8.06	7.49	20.23	5.13	7.65
Head and neck:						
Eyes alone.....	1.61	1.12	2.95	.77	1.71	2.73
All other.....	3.23	7.19	2.94	11.08	1.71	7.11
Total.....	4.84	8.31	5.89	11.85	3.42	9.84
Trunk:						
Chest.....	1.21	1.12	.34	2.96		
Abdomen.....		.50	.19	.39		.55
Other parts.....	2.01	5.21	1.80	10.70	2.56	8.74
Total.....	3.22	6.83	2.33	14.05	2.56	9.29
Other parts and several parts enumerated.	4.84	5.96	.96	5.93	.85	22.40
Total wounds, contusions, fractures, etc.....	99.19	100.00	99.98	100.00	23.93	57.92
All other.....			.01			.55
Grand total.....	100.00	100.00	100.00	100.00	100.00	100.00

## CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1823

**THE VARIOUS INSURANCE INSTITUTIONS, BY NATURE OF INJURY AND BY CAUSE**  
**1902—Concluded.**

**NUMBER—Concluded.**

Accidents caused by—									Total.
Com bus- tibles, corro- sives, gases, vapors, etc.	Land- slides and falling bodies.	Falls.	Railroad acci- dents.	Naviga- tion.	Electric conduc- tors.	Instru- ments and tools.	Loading and un- loading, lifting, carrying, etc.	Other causes.	
1	857	1,159	5	.....	5	81	202	86	2,681
.....	8	9	2	.....	7	1	1	3	37
12	18,329	9,901	40	6	26	6,027	7,118	1,454	53,484
2	3	.....	.....	.....	.....	.....	.....	.....	6
.....	.....	3	.....	.....	.....	.....	.....	1	4
.....	.....	2	.....	.....	2	1	.....	.....	5
.....	.....	1	.....	.....	.....	.....	.....	2	4
2,916	18,344	9,916	40	6	44	6,028	7,119	1,463	57,617

**PER CENT.**

[illegible]



The results of injuries are classified in three groups, death, permanent disability, and temporary disability. Combined data for four years, 1899 to 1902, published by the National Accident Insurance Institution, have been used because they afford the advantage of larger numbers, from which the conclusions are somewhat more trustworthy than from other available data.. These data are presented in connection with the study of the operations of the national institution. A little more than 1 per cent of the accidents prove fatal, a little over 4 per cent lead to permanent disability, and nearly 95 per cent to temporary disability only. The variations between industrial groups are important. The highest rate of fatal accidents is found in agriculture, 1.69 per cent of all accidents resulting in death; in mining 1.68 per cent of all accidents resulted fatally, and in building and construction 1.44 per cent. The high fatality rate of agricultural accidents is due mainly to the fact that in this industry only persons tending machinery are covered by the compulsory accident insurance law. Besides, the reporting of minor accidents in agriculture is probably not so efficient as in other industries. The lowest fatality rates are found in clothing, paper and printing, brick, earthen and glass ware, machinery, metal working, and textiles. For four years there was not one fatal accident in the clothing industry, and only one in the paper and printing industries combined.

A more careful analysis of the results of industrial accidents is possible for 1902. The tables which follow not only divide the accidents into fatal ones and those leading to temporary disability, partial permanent disability, and total permanent disability, but indicate for the cases of temporary disability the duration of such disability, and for cases of partial permanent disability, the degree of disability in percentages. Out of 57,617 accidents, 54,439, or 94.5 per cent, resulted in temporary disability only, and 2,716, or 4.7 per cent in permanent, but only partial disability, leaving only 0.8 of 1 per cent for the fatal cases and total permanent disability cases combined.

Of the cases of temporary disability, the vast majority lasted a very short time only. Accidents causing disability of less than six days are not considered. Of the total of 57,617 accidents, 27,666, or 48 per cent, caused disability for only six to fifteen days, and 17,149, or 29.8 per cent, disability for sixteen to thirty days, so that in 77.8 per cent of the cases considered the disability did not last over thirty days, and in 7,356 cases, or 12.8 per cent, from thirty-one to sixty days.

Even when permanent disability results from the accidents, the reduction of earning power is very small in the majority of cases.

Of the 2,748 cases of permanent disability, in 1,157, or over two-fifths of the cases, it destroyed from 5 to 10 per cent of the total earning capacity of the injured, and in 576, or a little more than one-fifth, from 11 to 20 per cent of the earning capacity, so that in more than three-fifths of all the cases of permanent disability such disability does not exceed 20 per cent. The tables show the results of the injuries for each industrial group and also for each cause of accidents.

RESULTS OF INJURIES, BY

[Source: Bollettino di Notizie sul Credito

Cause of accident.	Accidents causing temporary disability which lasted—								Total.
	6 to 10 days.	11 to 15 days.	16 to 20 days.	21 to 30 days.	31 to 60 days.	61 to 90 days.	91 to 180 days.	Over 180 days.	
Motors.....	53	47	28	47	37	8	4	.....	224
Power-transmission apparatus..	155	179	94	133	112	21	23	4	721
Working machinery.....	1,836	1,940	1,192	1,345	1,183	168	69	24	7,757
Elevators, hoists, cranes, etc....	151	150	127	145	112	20	8	2	724
Bollers and steamfitting.....	34	20	15	18	11	2	.....	.....	109
Explosives.....	11	22	14	28	26	9	6	2	120
Combustibles, corrosives, gases, etc.....	918	850	637	683	580	74	33	11	3,795
Landslides and falling bodies....	4,899	4,201	2,735	2,755	2,245	377	235	73	17,510
Falls.....	2,478	2,123	1,454	1,417	1,359	335	210	56	9,432
Railroad accidents.....	9	9	3	5	6	3	.....	.....	35
Navigation.....	1	.....	.....	1	4	.....	.....	.....	6
Electric conductors.....	8	5	4	4	6	1	1	.....	29
Instruments and tools..	1,882	1,553	886	803	527	83	29	7	5,800
Loading and unloading, lifting, carrying, etc.....	1,714	1,607	1,063	1,118	984	166	119	35	6,806
Other causes.....	449	315	190	205	162	27	20	3	1,371
Total.....	14,588	13,078	8,442	8,707	7,356	1,294	757	217	54,439

RESULTS OF INJURIES, BY

[Source: Bollettino di Notizie sul Credito

Industrial group.	Accidents causing temporary disability which lasted—								Total.
	6 to 10 days.	11 to 15 days.	16 to 20 days.	21 to 30 days.	31 to 60 days.	61 to 90 days.	91 to 180 days.	Over 180 days.	
Mines and metallurgy.....	2,013	2,434	1,805	1,871	1,648	313	211	57	10,352
Brick, pottery, and glassware....	594	455	284	247	189	38	19	9	1,835
Metal working.....	4,211	3,063	1,841	1,871	1,445	213	97	23	12,764
Chemicals, etc.....	856	639	343	318	272	42	26	9	2,506
Food products.....	670	597	392	440	362	63	29	13	2,506
Woodworking.....	222	287	206	236	181	35	14	5	1,186
Textiles.....	1,455	1,545	978	1,080	875	136	74	22	6,165
Leather and other animal prod- ucts.....	264	155	81	100	77	9	8	.....	694
Clothing.....	228	212	118	92	92	10	4	.....	756
Paper and printing.....	388	325	173	186	159	27	17	2	1,277
Building and construction.....	1,668	1,971	1,398	1,502	1,331	284	185	55	8,394
Cars, vehicles, etc.....	626	394	219	198	192	28	19	8	1,684
Transportation .....	1,015	625	367	318	303	51	27	10	2,716
Electrical industry.....	198	148	79	81	83	9	6	1	606
Agricultural labor.....	50	90	69	90	87	22	15	3	426
Other industries.....	130	138	89	77	60	14	6	.....	514
Total.....	14,588	13,078	8,442	8,707	7,356	1,294	757	217	54,439

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1827

## CAUSE OF ACCIDENT, 1902.

e sulla Previdenza, August, 1906.]

Accidents causing partial permanent disability, with reduction of earning power of—									Total.	Accidents causing—		Total acci-dents.
1 to 4 per cent.	5 to 10 per cent.	11 to 20 per cent.	21 to 30 per cent.	31 to 40 per cent.	41 to 50 per cent.	51 to 60 per cent.	61 to 70 per cent.	71 to 80 per cent.		Total perma-nent dis-ability.	Death.	
.....	9	5	3	3	1	.....	.....	1	22	.....	2	248
1	21	10	13	8	6	5	1	8	73	1	11	806
1	434	195	70	41	24	17	28	28	833	.....	21	8,611
1	23	6	3	2	4	3	.....	2	44	.....	8	776
.....	1	2	1	1	.....	.....	1	.....	6	1	1	117
.....	6	8	8	10	8	.....	4	2	46	4	13	183
.....	14	28	16	14	3	2	2	3	82	4	35	3,916
2	240	148	98	129	31	11	12	8	679	5	150	18,344
1	88	68	59	43	38	19	21	10	347	8	129	9,916
.....	1	.....	.....	.....	.....	1	.....	.....	2	.....	3	40
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6
.....	2	1	.....	.....	.....	1	.....	.....	4	.....	11	44
.....	86	49	37	40	7	2	1	.....	222	.....	6	6,028
.....	194	44	16	15	5	2	4	3	283	4	26	7,119
.....	38	12	6	12	3	.....	.....	2	73	5	14	1,463
6	1,157	576	330	318	130	63	74	62	2,716	32	430	57,617

## INDUSTRIAL GROUPS, 1902.

e sulla Previdenza, August, 1906.]

Accidents causing partial permanent disability, with reduction of earning power of—									Total.	Accidents causing—		Total acci-dents.
1 to 4 per cent.	5 to 10 per cent.	11 to 20 per cent.	21 to 30 per cent.	31 to 40 per cent.	41 to 50 per cent.	51 to 60 per cent.	61 to 70 per cent.	71 to 80 per cent.		Total perma-nent dis-ability.	Death.	
.....	152	93	66	78	30	15	13	8	455	8	132	10,947
.....	26	24	6	10	2	1	2	.....	71	1	10	1,917
2	256	115	57	62	18	9	10	4	533	2	32	13,331
.....	27	16	8	10	4	1	4	2	72	2	13	2,592
.....	87	33	16	15	8	2	2	7	170	.....	23	2,759
1	68	41	14	4	2	2	3	1	136	.....	5	1,327
.....	191	86	40	28	15	11	11	13	395	2	18	6,580
.....	17	3	3	3	1	.....	1	1	29	1	4	728
.....	12	6	4	2	1	.....	1	.....	26	.....	1	783
1	42	24	6	3	1	3	2	4	86	.....	8	1,371
.....	163	88	75	76	35	15	11	9	472	12	129	9,007
2	53	23	16	13	7	1	.....	1	116	1	6	1,807
.....	36	15	8	3	1	2	6	5	76	1	29	2,822
.....	12	4	7	7	.....	.....	2	1	33	1	10	649
.....	8	3	3	2	3	1	5	5	30	.....	4	460
.....	7	2	1	2	2	.....	1	1	16	1	6	537
6	1,157	576	330	318	130	63	74	62	2,716	32	430	57,617

**SICKNESS INSURANCE.**

In the field of sickness insurance much less has been accomplished than in the fields of insurance against accidents and old age and invalidity; and this is especially true, when the efforts of the Government are considered. There is no obligatory insurance against sickness, nor has the State adopted any active measures to stimulate voluntary insurance, as it has done in regard to accident insurance and old-age and invalidity insurance.

The legislative interference with the private efforts toward sickness insurance are as yet limited to the regulative law of April 15, 1886, which aims only to regulate the mutual benefit societies.

Moreover, it is not quite accurate to speak of these mutual benefit societies as a system of insurance of workmen against sickness, for they are not limited either to wage-workers or to the one form of insurance—that against sickness. However, wage-workers do constitute a great majority of their membership, and while many forms of benefits and assistance are furnished by some of these societies, sickness insurance or at least benefits in cases of sickness, as a matter of fact, do represent the most frequent and most important form of insurance, and it is therefore most convenient to speak of the operations of these organizations under the caption of “sickness insurance.”

**HISTORY.**

Some mutual benefit societies of Italian workmen date back into the eighteenth century, and owe their origin to the old trade guilds, but only during the last 40 years, or since the unification of Italy, has any general movement toward the establishment of mutual benefit societies manifested itself. The statistical account of these societies given elsewhere shows that in 1862 only 443 of these societies were enumerated; in 1873, 1,447; in 1878, 2,091, and by 1885 they had increased to 4,900. In the beginning these societies were organized very informally. They had no legal standing and therefore could not own any property. In their development serious difficulties soon appeared, as was the experience in all countries where mutual benefit societies were developing. Aside from occasional fraud and abuses, most such societies came to grief because of the entire absence of an actuarial basis for their operation and lack of executive ability and familiarity with the problem, which made these associations offer much greater benefits than they were able to meet. These difficulties were especially great for the associations which endeavored to grant old-age and invalidity benefits. Few of the associations kept the accounts of different forms of benefits separated and because of faulty bookkeeping they were not aware of their financial difficulties.

The necessity of some legal regulation of these societies soon became quite evident, both to the Government and to the societies.

Not only was it necessary to safeguard the savings which, however small in individual cases, amounted to large sums in the aggregate, but it was felt that a collapse of many such associations would have a very detrimental effect upon the saving habits and the cooperative spirit of the Italian workmen.

On the other hand, the lack of legal standing proved a serious drawback and impediment to the more energetic associations, which were anxious to extend their operations, because it deprived them of their property-holding powers. Frequently, therefore, individual associations applied to the Government for incorporation by royal decree, but as such incorporation was evidently a mark of approval or at least of confidence, the Government considered it necessary to study the financial basis of the associations before granting such requests. The results were, as Minister Grimaldi stated in his report to the Senate of April 6, 1886, that, within the three years previous, out of 100 associations requesting such incorporation by royal decree only 20 were granted this request.

The law of April 15, 1886, concerning the recognition or incorporation of mutual benefit societies was the result of a movement which lasted nearly ten years. During the session of the Chamber of Deputies of June 14, 1876, a promise of such a law was made by the Government and in fulfillment of this promise a bill was introduced on June 9, 1877, by the minister of agriculture, industry, and commerce.<sup>(\*)</sup>

In the memorial accompanying the bill, the minister pointed out that these mutual benefit societies were essentially insurance institutions, and that therefore they could not be successful unless they were guided by the well-recognized principles of insurance and based their dues and benefits upon sound actuarial calculations.

Therefore the State could not confer the benefits of "recognition" (incorporation) unless the society did comply with the demands of actuarial science. In discussing the objection raised by a certain number of representatives of mutual benefit societies that this might lead to an excessive interference by the Government with the operations of such voluntary organizations, the minister pointed out that such danger was purely imaginary, since incorporation was intended to be an entirely voluntary act and granted only upon application of the society itself, and no organization was forced to apply. On the other hand the minister dismissed the suggestion, also considered by the consultative commission, that the requirements for recognition be limited only to conditions of the formal organization of the society

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\* *Atti Parlamentari*, sessione del 1876-77. XIII Legislatura. Camera dei Deputati, No. 120. Progetto di legge presentato dal ministro di agricoltura, industria e commercio (Maiorana-Calatabiano) nella tornata del 9 giugno 1877.



without regard to the actuarial basis. Such conditions would not, in his opinion, give any guarantee of security, and it would not be proper for the Government to grant the natural support of its recognition to any institution whose security was not guaranteed in any way.

The bill of 1877 was prepared in accordance with these principles. It proposed the organization of a central commission of mutual benefit societies to which any such society might apply for a "recognition," presenting complete accounts of its financial standing. In accordance with the broad conception of these societies as insurance institutions, not only sickness insurance but also old-age pensions, widows and orphans' pensions, forms of insurance which evidently required very strict adherence to actuarial principles, were to be permitted. In addition the societies were permitted to conduct educational work or engage in cooperative enterprises, such being the custom in a great many cases. For each form of insurance the society was required to keep a separate account and to demand separate contributions. A minimum number of insured was required, 500 for sickness insurance and 200 for old-age and life insurance. The nature of the constitution of the society and the method of investment were also regulated, but the most important provision was that permitting the recognition of only such societies as furnished evidences of a satisfactory relation between the obligations assumed and the means at their disposal. It was explained in the memorial that in order to obtain this satisfactory actuarial basis the recognized societies would have to avail themselves of mortality and sickness tables based as far as possible upon Italian data and also upon foreign statistics, which tables might be prepared by the commission which was to include legal, mathematical, and insurance experts. Recognized societies were to remain under the supervision of the Ministry of Agriculture, Industry, and Commerce and the commission. The ministry could accordingly order an investigation at any time and cancel its recognition if the accounts proved unsatisfactory. In recognition of compliance with these stringent requirements of the law the incorporated societies would acquire, in addition to the rights of legal persons, also other privileges, such as exemption from certain taxes, not only of the society as such, but also of the benefits paid to its members, and publication of its reports in certain official journals at the expense of the ministry.

This legislative project was prepared by the consultative commission for labor and savings institutions after a study of the legislation of France, Belgium, Great Britain, and Germany.

This bill did not meet with the universal approval of the societies interested. The requirements for incorporation were considered too

stringent, and in numerous congresses the desire was expressed that such requirement be made more formal in its nature, refer primarily to the organization of the mutual benefit societies, and leave the actuarial basis untouched.

On June 11, 1880, the new minister of agriculture, industry, and commerce introduced a new bill in the Senate. He admitted that the requirements of the old bill were too stringent, but on the other hand dismissed the plea for the incorporation of all societies applying for it as entirely too extravagant. The following requirements were considered essential: (1) The exact definition of the aims of the society; (2) a due proportion between contributions and benefits; (3) a certain minimum number of members; and (4) separation of funds and accounts pertaining to separate purposes of the societies.

It appears, therefore, that this bill included all the essential features of the earlier bill. The most important differences were that the application was to be made to the local judiciary authorities and incorporation was to be ordered by them, while the actuarial standing of the society was to be investigated by experts selected by the court from local professors of mathematics. The idea of a central commission for the control of the benefit societies was preserved, but its composition was made fully representative—that is, in addition to three members appointed by royal decree, three by the Senate, and three by the Chamber of Deputies, there were to be five members selected by the societies.<sup>(a)</sup>

The bill was somewhat amended in the Senate and after a brief discussion was passed with slight changes on February 12, 1881, and presented to the Chamber of Deputies on March 8, 1881. The senate bill was referred to a parliamentary commission, which brought in its report on December 22, 1881, containing a modified text of the bill as proposed by this commission. While adhering somewhat to the text of the senate bill, the commission of the lower chamber materially changed all the essential features of the bill. The commission took the directly opposite point of view to that of the minister of agriculture, industry, and commerce. It insisted that none of the foreign laws was entirely adapted to the special requirements of the Italian workmen, that the mutual benefit societies would be more useful if left to develop naturally, and that they should be entitled to receive the benefits of incorporation without subjecting themselves to any governmental regulation other than the common law. The project of the parliamentary commission, therefore, excluded all

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<sup>a</sup> Atti Parlamentari, Legislatura XIV, 1<sup>ma</sup> Sessione 1880- Documenti. Camera dei Deputati, No. 178. Disegno di legge approvato dal Senato de Regno presentato dal ministro di agricoltura, industria e commercio (Miceli), nella tornata dell' 8 mayo 1881.

reference to the organization of a central commission of mutual benefit societies, the requirements of a due proportion between dues and benefits, the separation of the separate forms of benefits and their accounts, the demand for a minimum number of members, and the method of investment of the funds. It also excluded pensions for widows and orphans from the list of permissible benefits, feeling that that function required a stricter adherence to insurance principles than was desirable to exact from the mutual benefit societies. The bill, as amended, simply contained provisions for incorporation of mutual benefit societies by local judicial authorities, with very few provisions for control of such societies. This proposal of the parliamentary commission never came up for discussion in the House.

The principles enunciated in the report of the parliamentary commission were, however, embodied in the next project of a law concerning mutual benefit societies, introduced in the Chamber of Deputies on June 21, 1883. The bill was referred to a new committee, which brought in its report on February 19, 1884, introducing a few minor changes. The consideration of the bill was delayed another two years, and the bill was finally passed in the Chamber of Deputies on April 8, 1886, introduced in the Senate on the next day, reported by the committee on April 10, 1886, passed and became a law on April 15, 1886. This rapid enactment of the law after a discussion of ten years seems to have been influenced by a decided change in public opinion and in its opposition to some regulation of the operations of the mutual benefit societies, while on the other hand the Government has finally adjusted the law to the demands of the opposition and has abandoned the effort to introduce a system of careful control of the financial and actuarial status of the recognized societies.

#### PROVISIONS OF THE LAW OF APRIL 15, 1886.

The law concerning the incorporation of mutual benefit societies, approved on April 15, 1886, states the requirements with which a mutual benefit society must comply in order to be granted such recognition or incorporation, the degree of control exercised subsequently by the Government over such recognized societies, and the benefits derived by such societies from this recognition.

The law applies to all mutual benefit societies without consideration of the occupation or economic standing of its membership, provided they aim at one or more of the following objects: To assist their members in case of illness, working disability, or old age, or to come to the assistance of the families of deceased members. The law carefully avoids the word "pensions" and in a subsequent circular of July 2, 1886, the minister of agriculture, industry, and commerce

specifically instructs the courts not to grant incorporation to societies providing such old-age or invalidity pensions, for such pensions can not be given without a solid actuarial foundation, which the law, as will be shown, does not require.

The requirements for incorporation contained in the law are primarily constitutional. The constitution of the society applying for admission must define the following: The headquarters of the society; its objects and aims; conditions for admission and separation of members; their obligations and rights; the methods of expenditures and investment of the property and the guarantees required; conditions of a quorum; of validity of elections and resolutions adopted; the requirement of keeping minutes of the general meeting, of the executive committee, and of the auditors or supervisors' committee; the method of organization of these committees and their functions; the mode of representation of the society before the court and other outside parties; the condition for resolving the winding up of the affairs of the society, or for amending the constitution, with the proper consideration of the fixed requirements of the law. It is understood that the constitution may not contain anything contrary to the law. The actual contents of the constitution is thus left to the discretion of the society itself; but the law contains a few requirements which must govern the operations of the mutual benefit societies.

First, in addition to the main objects, the forms of mutual assistance enumerated above, the recognized societies may undertake only the following activities: Cooperative educational work among members and their families, assistance to members in acquiring tools of trade, and other functions of institutions for saving and social improvement. No expenditures may be made for any other purposes than those specified above, or to cover the cost of administration.

Second, if a society receives legacies or donations for a definite and permanent object, these legacies or donations must be kept separately and the revenue derived from them expended in accordance with the wishes of the donor.

Third, the executive officers of the societies must be selected from among the active members. They may be recalled at will, and need not furnish any bond unless the constitution so requires.

Application for incorporation under this law must be made to the local civil court, and attached to the application must be a copy of the constitution certified by a notary public. Societies already possessing the rights of legal persons at the time when the law went into effect, and wishing to obtain the additional privileges under this law, must also make the required application, adjusting their constitutions if necessary.

Societies in existence at the time when the law went into effect and having no such rights may be granted incorporation on application, if their constitutions conform to the demands of the law. Otherwise the constitution must be amended at a general meeting specially called for that purpose, and a certified copy of the amended constitution with a certified copy of the minutes of this special meeting must be attached to the application.

Societies organized after the law went into effect must furnish a certified copy of the constitution and of the procedure of the charter meeting of the society.

After examining these documents in order to see that they conform with the requirements of the law, the court orders that the name of the society be entered on the register of recognized societies. In case of desired change in the constitution the same method of procedure as in original incorporation is required.

The governmental control consists mainly in exacting reports and holding the officers of the society responsible for observing the requirements of the law and the provisions of the constitution. The officers of the society are individually and jointly responsible for the execution of their respective duties, for the correctness of all entries in the books and for strict compliance with all provisions of the constitution of the society.

On the other hand, an officer who formally records his dissent from a resolution in the minutes, and who gives immediate notice of such an illegal resolution to the supervising committee, thereby is relieved from such responsibility, as is also an officer who was absent from the meeting of the executive committee when the decision in question was taken.

Furthermore, an officer who knowingly makes false statements concerning the status of the society, or suppresses any actual facts in the accounts, or before the general meeting, or in court, is punishable by a fine of 100 lire (\$19.30) in addition to the usual civil responsibility.

If suspicion arises concerning the existence of gross irregularities in the work of the officers or of the supervisory committee, this may be brought to the attention of the court, provided at least 20 members so decide, and if the court should find these suspicions well grounded it may take the necessary legal measures.

If a mutual benefit society has failed to comply with the regulations limiting the legitimate expenditures to certain purposes, the court must, upon application either of a member or of the public authorities, make the demand upon the society to comply with the law within fourteen days, and upon failure to do so, must order the name of the society stricken from the register of incorporated societies.

The incorporated mutual benefit societies must transmit to the minister of agriculture, industry, and commerce, through the local authorities, copies of their constitutions and their annual reports, as well as all statistical information specifically asked for. In the annual report all expenditures for subsidiary beneficiary features and the sources from which the expenditures are met must be indicated.

The main rights acquired by the mutual benefit societies which have complied with all the requirements of the law are those of legal persons, and for this reason this "recognition" may be considered as equivalent to "incorporation." In addition, the following privileges are extended to the recognized mutual benefit societies: Exemption from stamp taxes, registry taxes, the insurance tax, personal property tax, and from court fees, and freedom of the benefits granted to the members from seizure and cession.

The legal status of the mutual benefit societies has not changed to any extent during the twenty-three years which have elapsed since the law of April 15, 1886, went into effect. No more active measures have as yet been taken to encourage such mutual help in case of sickness than those contained in the law.

The extent and nature of the operations of these mutual benefit societies and the effect of the law of 1886 may best be studied from the statistical data available.

#### STATISTICS OF MUTUAL BENEFIT SOCIETIES.

Six statistical investigations of the mutual benefit societies were undertaken in Italy within the last half century, in 1862, 1873, 1878, 1885, 1894, and 1904.<sup>a</sup>

While they are not all elaborated exactly on the same plan, a great many comparisons are possible, and these six reports furnish considerable material for a study of the development of these institutions.

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<sup>a</sup> (1) *Statistica de Regno D'Italia, Società di Mutuo Soccorso. Anno 1862, per cura del Ministro d'Agricoltura, Industria, e Commercio. Turino, 1864.*

(2) *Ministero di Agricoltura, Industria, e Commercio, Statistica delle Società di Mutuo Soccorso, Roma, 1875.*

(3) *Ministero di Agricoltura, Industria, e Commercio, Direzione della Statistica Generale del Regno—Statistico delle Società di Mutuo Soccorso, anno 1878. Roma, 1880.*

(4) *Ministero di Agricoltura, Industria, e Commercio, Direzione Generale della Statistica. Statistica delle Società di Mutuo Soccorso e delle Istituzione Cooperative Annesse alle Medesime, anno 1885. Roma, 1888.*

(5) *Ministero di Agricoltura, Industria, e Commercio, Direzione Generale della Statistica. Elenco delle Società di Mutuo Soccorso. Roma, 1898.*

(6) *Ministero di Agricoltura, Industria, e Commercio. Ispettorato Generale del Credito e della Previdenza Le Società di Mutuo Soccorso in Italia al 31 dicembre, 1904. Studio Statistico. Roma, 1906.*



## NUMBER OF SOCIETIES AND MEMBERS.

The number of societies of mutual benefit, their membership, and the proportion of the membership to the population is shown in the following table. In none of the six investigations was it possible to obtain the desired information from all societies, but it is believed that the number reporting is sufficient to make the data representative.

The number of societies and the membership increased rapidly up to 1894. During the period 1894 to 1904 a material decrease has taken place, and it seems certain that the growth of mutual benefit societies has been interrupted and the efficiency of the law of 1886 as a stimulus has greatly declined. In 1904 the average number of members per 1,000 of population was only 27.82; so that, even if women and children are excluded, only a small percentage of Italian citizens gainfully employed hold membership in mutual benefit societies.

In addition to the societies included in the next table there were four societies of railroad employees in 1885 and three in 1894; but as data for these could not be obtained for other years they have not been considered in this table.

NUMBER AND MEMBERSHIP OF MUTUAL BENEFIT SOCIETIES FOR VARIOUS YEARS,  
1862 TO 1904.

[Source: *Le Società di Mutuo Soccorso*, 1878 and 1904, and *Annuario Statistico*, 1905 to 1907. Data are exclusive of railroad societies.]

Year.	Population.	Total number of societies.	Number of societies reporting membership.	Number of members.	Number of members per 1,000 population.	Average number of members per society.
1862(a).....	21,929,176	443	417	111,606	5.09	252
1873.....	27,132,848	1,447	1,146	218,822	8.06	191
1878.....	27,962,084	2,091	1,981	331,548	11.86	167
1885.....	29,300,268	4,896	4,768	730,475	24.93	153
1894.....	31,191,564	6,722	6,584	936,686	30.03	142
1904.....	33,282,850	6,535	6,347	926,026	27.82	146

\* Data for this year do not include the Province of Venetia and the city of Rome.

As the law for incorporation of mutual benefit societies was enacted after the investigation of 1885 was undertaken, only the last two investigations contain separate data for incorporated and unincorporated societies. By 1894, 1,156, or 17.2 per cent, of the societies had obtained incorporation or recognition under the law; and by December 31, 1904, the number had increased to 1,548, or 23.7 per cent. Thus even nearly twenty years after the law of 1886 went into effect, less than one-fourth of these societies availed themselves of the advantages offered by the law. The effect of the law upon the development of the mutual benefit movement must, therefore, be considered very limited. For 6,347 out of the 6,535 societies the membership has been ascertained. Of these societies 24 per cent

were incorporated, and they claimed 31.2 per cent of the membership, the average membership of the incorporated societies being larger than that of the unincorporated ones; 189 as against 132. Incorporation is therefore found to be an evidence of strength..

COMPARISON OF INCORPORATED AND UNINCORPORATED MUTUAL BENEFIT SOCIETIES AT END OF YEARS 1894 AND 1904.

[Source: Le Società di Mutuo Soccorso, 1904.]

Kind of society.	Mutual benefit societies in—								
	1894.(a)		1904.						
	Num-ber.	Per cent.	Num-ber.	Per cent.	Reporting membership.		Membership.		
					Num-ber.	Per cent.	Number.	Per cent.	Aver-age per society.
Incorporated.....	1,156	17.2	1,548	23.7	1,525	24.0	288,598	31.2	189
Unincorporated.....	5,566	82.8	4,987	76.3	4,822	76.0	637,428	68.8	132
Total.....	6,722	100.0	6,535	100.0	6,347	100.0	926,026	100.0	146

a Exclusive of three societies of railroad employees.

The mutual benefit society movement is almost entirely limited to the male portion of the Italian population. As is shown in the following statement, at no period (data for 1894 not being available) have females constituted even one-tenth of the total membership of the societies. The interesting fact is also brought out that the proportion of females in incorporated societies was smaller than in the unincorporated societies in 1904. Of the male members 31.7 per cent belonged to incorporated societies and of the female members only 25.1 per cent.

MEMBERSHIP OF MUTUAL BENEFIT SOCIETIES FOR VARIOUS YEARS, 1862 TO 1904, BY SEX.

Source: Le Società di Mutuo Soccorso, 1862, 1878, 1885, and 1904.]

Year.	Males.		Females.		Total mem-ber-ship
	Number.	Per cent.	Number.	Per cent.	
1862.....	101,410	90.86	10,198	9.14	111,608
1873.....	197,719	90.36	21,103	9.64	218,822
1878.....	a 299,544	a 90.35	a 28,592	a 8.62	b 331,548
1885 (c).....	531,047	93.68	35,853	6.32	566,900
1904:					
Incorporated societies.....	269,377	93.34	19,221	6.66	288,598
Unincorporated societies.....	580,041	91.00	57,387	9.00	637,428
Total, 1904 .....	849,418	91.73	76,608	8.27	926,026

a Not including 3,412 members, sex not reported.  
b Including 3,412 members, sex not reported.  
c For 3,705 societies only.

The following table shows that in 1904 less than 4 per cent of the societies reporting sex of members were organized for females alone. The number of organizations admitting only males has increased from a little over seven-tenths in 1873 to eight-tenths in 1904.

NUMBER OF MUTUAL BENEFIT SOCIETIES IN VARIOUS YEARS, 1873 TO 1904, BY SEX OF MEMBERSHIP.

[Source: La Società di Mutuo Soccorso, 1873, 1878, 1885, and 1904.]

Year.	Societies admitting—						Number of societies—		
	Males only.		Females only.		Both sexes.		Report- ing sex.	Not re- porting sex.	Total.
	Num- ber.	Per cent.	Num- ber.	Per cent.	Num- ber.	Per cent.			
1873.....	900	71.20	42	3.32	322	25.48	1,264	183	1,447
1878.....	1,537	73.50	70	3.35	484	23.15	2,091	.....	2,091
1885.....	2,861	76.06	109	2.90	792	21.06	3,762	1,138	4,900
1904:									
Incorporated societies....	1,178	77.25	38	2.49	309	20.26	1,525	23	1,548
Unincorporated societies..	3,900	80.88	214	4.44	708	14.68	4,822	165	4,987
Total, 1904.....	5,078	80.01	252	3.97	1,017	16.02	6,347	188	6,535

In addition to the active members of societies, belonging for the benefits to be derived from such membership, large numbers of honorary and contributing members assist them by their contributions or influence, thus introducing an element of private and organized charity into the activity of these mutual benefit societies. In 1873 <sup>(a)</sup> the number of such members was 19,263, or about 9 per cent of the active membership, and in 1878, 32,177, or nearly 10 per cent of the active membership. In 1885 the total honorary membership amounted to 52,763, of whom only 31,690 were contributing. For later years information is not available, except that on December 31, 1903, <sup>(b)</sup> the incorporated societies had 11,675 contributing honorary members as against a total of 259,914 active members, or only 4.5 per cent. The influence of the honorary members in the development of the mutual benefit societies seems to be decreasing.

SIZE OF SOCIETIES.

The distribution of the mutual benefit societies by the number of members is shown in the following table for the last three censuses, 1885, 1894, and 1904:

<sup>a</sup> Società di Mutuo Soccorso, 1878.  
<sup>b</sup> Società di Mutuo Soccorso, 1904.

## NUMBER AND PER CENT OF MUTUAL BENEFIT SOCIETIES IN EACH MEMBERSHIP GROUP AT THE END OF EACH YEAR, 1885, 1894, AND 1904.

[Source: La Società di Mutuo Soccorso, 1885, 1894, and 1904.]

Membership group. (a)	Mutual benefit societies in—									
	1885.		1894.		1904.					
					Incorporated.		Unincorporated.		Total.	
	Num-ber.	Per cent.	Num-ber.	Per cent.	Num-ber.	Per cent.	Num-ber.	Per cent.	Num-ber.	Per cent.
Less than 50.....	1,768	36.08	3,649	54.26	224	14.47	1,258	25.23	1,482	22.68
50 to 100.....	1,194	24.37	1,779	26.46	380	24.55	1,543	30.94	1,923	29.43
101 to 200.....	422	8.61	620	9.22	497	32.11	1,231	24.68	1,728	26.44
201 to 300.....	153	3.12	249	3.70	199	12.85	367	7.36	566	8.66
301 to 400.....	68	1.39	102	1.52	99	6.39	188	3.77	287	4.39
401 to 500.....	36	.73	54	.80	51	3.29	98	1.97	149	2.28
501 to 600.....	21	.43	35	.52	23	1.49	47	.94	70	1.07
601 to 700.....	16	.33	26	.39	14	.90	26	.52	40	.61
701 to 800.....	13	.27	18	.27	6	.39	13	.26	19	.29
801 to 900.....	8	.16	11	.16	6	.39	13	.26	19	.29
901 to 1,000.....	18	.37	26	.39	7	.45	8	.16	15	.23
1,001 to 1,500.....	7	.14	5	.07	11	.71	18	.36	29	.45
1,501 to 2,000.....	1	.02	5	.07	4	.26	6	.12	10	.15
2,001 to 3,000.....	3	.06	8	.12	4	.26	6	.12	10	.15
More than 3,000.....	1,172	23.92	138	2.05	23	1.49	165	3.31	188	2.88
Unknown.....										
Total.....	4,900	100.00	6,725	100.00	1,548	100.00	4,987	100.00	6,535	100.00

\* In the report for 1904 the groups begin with the even hundred, as follows: 100 to 199, 200 to 299, etc.

The majority of the societies are found to be very small. In 1894 54.26 per cent had not over 100 members. In 1904 52.11 per cent of all societies had less than 100 members, 26.44 per cent from 100 to 199, and 18.57 per cent 200 members or over. Only 49 societies had 1,000 members or over. It is easily seen how difficult any application of actuarial principles would be in such small societies.

A comparison between the incorporated and unincorporated societies in 1904 shows a very interesting difference in distribution by size of membership. Societies with less than 100 members constituted 39.02 per cent of the incorporated and 56.17 per cent of the unincorporated societies; those with a membership of 100 to 199, 32.11 per cent and 24.68 per cent; those with 200 to 999, 26.15 per cent, and 15.24 per cent; and those with 1,000 members and over, 1.23 per cent and 0.60 per cent. To put the comparison somewhat differently, of the societies with a membership of less than 100, 17.7 per cent were incorporated; of those with a membership of 100 to 199, 28.8 per cent; of those with a membership of 200 to 499, 34.8 per cent; of those with a membership of 500 to 999, 34.4 per cent; and of those with 1,000 members and over, 38.8 per cent were incorporated. The tendency to incorporate under the act is evidently much stronger among the larger societies.

OCCUPATIONS OF MEMBERS.

Satisfactory data are unfortunately lacking concerning the occupations of Italian workmen belonging to the mutual benefit societies. In the following table is shown all the information available on this subject. The classification here is that of the societies rather than members, and the large majority of the societies, 61.05 per cent in 1894, are unclassified. Besides, no similar data are available for the last census year, 1904. Some tendency toward differentiation may be noticed in this table. In 1878 81.30 per cent of all societies, and in 1894 only 61.05 per cent were unclassified as far as the occupations of their members is concerned. In 1885 66.13 per cent of all membership of mutual benefit societies were unclassified as to occupation, and in 1894 58.50 per cent.

OCCUPATIONS OF MEMBERS OF MUTUAL BENEFIT SOCIETIES, 1878, 1885, AND 1894.  
[Source: La Società di Mutuo Soccorso, 1878, 1885, and 1894.]

Occupation group.	Mutual benefit societies in—									
	1878.		1885.				1894.			
	Num- ber.	Per cent.	Num- ber.	Per cent.	Membership.		Num- ber.	Per cent.	Membership.	
					Num- ber.	Per cent.			Num- ber.	Per cent.
Unclassified workmen.....	1,700	81.30	2,940	61.03	489,556	66.13	4,021	61.05	581,609	58.50
Steam railroad employees.....			7	.15	4,192	.57	29	.44	87,087	8.76
Farmers and industrial workers.....			564	11.71	69,026	9.32	701	10.64	84,526	8.50
Veterans, retired army men, etc.....			225	4.67	36,276	4.90	410	6.23	54,292	5.46
Farmers and laborers.....	28	1.34	142	2.95	20,309	2.74	241	3.66	29,526	2.97
Public and private employees...	13	.62	18	.37	4,764	.64	56	.85	14,300	1.44
Merchants, clerks, traveling men, etc.....	20	.96	66	1.37	10,137	1.36	59	.90	14,102	1.42
Mechanics, metal casters, black- smiths, etc.....	13	.62	37	.77	5,161	.70	75	1.14	11,350	1.14
Teachers.....	12	.58	21	.44	8,373	1.13	36	.55	10,652	1.07
Workmen in food industry.....	40	1.91	74	1.54	8,611	1.16	92	1.40	10,346	1.04
Shoemakers, hatters, tailors, saddlers, etc.....	50	2.39	129	2.68	9,449	1.28	143	2.17	9,260	.93
Textile operatives.....	22	1.05	29	.60	6,059	.82	33	.50	8,177	.82
Boatmen, fishermen, and sailors.	7	.34	39	.81	5,463	.74	55	.84	7,746	.78
Printing trades.....	22	1.05	36	.75	4,838	.65	50	.76	7,384	.74
Masons, marble workers, stone- cutters, etc.....	24	1.15	63	1.31	7,624	1.03	78	1.18	7,222	.73
Servants, coachmen, etc.....	34	1.62	34	.71	4,558	.62	37	.56	5,118	.52
Musicians and theater employees	20	.96	17	.35	2,240	.30	43	.65	4,274	.43
Woodworkers.....	18	.86	50	1.04	4,891	.66	64	.97	4,184	.42
Tobacco workers.....			4	.08	2,164	.29	11	.17	4,173	.42
Porters, loaders and unloaders, etc.....			20	.41	1,967	.27	39	.59	4,018	.40
Tanners, glove makers, etc.....	10	.48	25	.52	3,310	.45	32	.49	3,626	.37
Barbers, hairdressers, etc.....	16	.77	36	.75	2,585	.35	43	.65	3,578	.36
Hackmen and street-railroad em- ployees.....	4	.19	15	.31	2,721	.37	25	.38	3,534	.36
Physicians, surgeons, pharma- cists, veterinarians, sanitary employees, etc.....	10	.48	13	.27	1,594	.22	30	.46	3,213	.32
Varnishers, painters, plasterers, decorators, etc.....	8	.38	30	.62	2,415	.33	22	.33	1,935	.20
Coffee-house keepers, liquor deal- ers, bakers, and confectioners...			14	.29	1,726	.23	18	.27	1,852	.19
Clergymen.....	4	.19	4	.08	1,603	.22	5	.08	1,588	.16
Potters, glass workers, etc.....	5	.24	11	.23	1,413	.19	12	.18	1,528	.15
Ushers, watchmen, and servants.							14	.21	1,435	.14
Goldsmiths, jewelers, and watch- makers.....	8	.38	19	.39	1,795	.24	16	.24	1,155	.12
Miners.....							8	.12	541	.05
All other professions and trades..	3	.14	135	2.80	15,460	2.09	89	1.35	10,852	1.09
Total.....	2,091	100.00	4,817	100.00	740,280	100.00	6,587	100.00	994,183	100.00

YEAR OF ORGANIZATION AND OF INCORPORATION.

In the following table are shown the societies in existence in 1894 and 1904, distributed by the year of their organization:

YEAR OF ORGANIZATION OF MUTUAL BENEFIT SOCIETIES.

[Source: Le Società di Mutuo Soccorso, 1898 and 1904.]

Year of organization.	Mutual benefit societies in existence at end of year.						
	1894.	1904.					
		Incorporated.		Unincorporated.		Total.	
		Number.	Per cent.	Number.	Per cent.	Number.	Per cent of all existing societies.
Prior to 1850.....	72	14	21.9	50	78.1	64	1.0
1850 to 1859.....	<sup>a</sup> 219	76	43.7	98	56.3	174	2.7
1860 to 1869.....	<sup>b</sup> 818	224	34.3	429	65.7	653	10.0
1870 to 1874.....	<sup>c</sup> 694	139	26.8	379	73.2	518	7.9
1875 to 1879.....	<sup>d</sup> 695	174	25.0	522	75.0	696	10.7
1880 to 1884.....	1,602	255	21.3	944	78.7	1,199	18.3
1885 to 1889.....	1,287	197	21.4	722	78.6	919	14.1
1890 to 1894.....	1,264	200	25.0	599	75.0	799	12.2
1895 to 1899.....		114	20.7	437	79.3	551	8.4
1900.....		35	24.6	107	75.4	142	2.2
1901.....		34	19.2	143	80.8	177	2.7
1902.....		30	19.9	121	80.1	151	2.3
1903.....		33	20.2	130	79.8	163	2.5
1904.....		20	15.4	110	84.6	130	2.0
Unknown.....	74	3	1.5	196	98.5	199	3.0
Total.....	6,725	1,548	23.7	4,987	76.3	6,535	100.0

<sup>a</sup> Organized 1850 to 1860.  
<sup>b</sup> Organized 1861 to 1870.

<sup>c</sup> Organized 1871 to 1875.  
<sup>d</sup> Organized 1876 to 1879.

The table shows that the period of most rapid development of mutual benefit societies was the years 1880 to 1884. Possibly the organization of the large national funds subsequently checked the increase of this class of societies. A comparison of the figures of 1894 and 1904 are particularly interesting, for such a comparison shows that many of the earliest associations have been dissolved.

Of the 6,535 societies enumerated in 1904, 5,022, not including those for which the year of organization was not reported, had been organized before 1895. But the census of 1894 showed 6,722 societies (exclusive of the three railroad funds), so that evidently 1,700, or 25.3 per cent, of the societies have been dissolved in ten years. Of the societies organized from 1880 to 1894, 4,153 were in existence in 1894 and 2,917 in 1904, showing that during the ten years 1,236, or 29.8 per cent, were dissolved.

As it is desired to show here the efficiency of the law for voluntary registration (incorporation) of the benefit societies, the following table supplies some information as to what degree the societies made use of this right of incorporation. The percentage of incorporated societies is greater among the older societies and incorporation evidently comes not at the time of organization but later in the history of the society. In any case incorporation proceeded at a very slow rate, the highest number of societies incorporating in one year being 149 in 1891.



NUMBER OF MUTUAL BENEFIT SOCIETIES ON DECEMBER 31, 1904, BY YEAR OF INCORPORATION.

[Source: Le Società di Mutuo Soccorso, 1904.]

Year.	Number of societies in- corporated.	Year.	Number of societies in- corporated.	Year.	Number of societies in- corporated.
1886.....	78	1893.....	88	1900.....	59
1887.....	107	1894.....	72	1901.....	67
1888.....	100	1895.....	46	1902.....	66
1889.....	99	1896.....	58	1903.....	74
1890.....	98	1897.....	67	1904.....	64
1891.....	149	1898.....	53		
1892.....	110	1899.....	51	Total.....	a 1,506

a Not including 42 societies incorporated by royal decree, years not reported.

CHANGES IN MEMBERSHIP.

The list of the societies is not very stable from year to year, many societies dissolving and others being formed; there is also a considerable degree of change in the membership of these societies. In the following statement the gain and loss in membership is shown for 1885 and 1903. Unfortunately the data for 1885 are for all societies and for 1903 only for incorporated societies, the data concerning the membership of the unincorporated societies in 1903 not being available. For this reason no satisfactory comparison of the data for the two years can be made. The incorporated societies are usually larger, stronger, and probably subject to fewer changes in membership than those which are not incorporated.

The changes of membership in 1885 among all mutual benefit societies were as follows:

Number of societies reporting.....	3,705
Effective members at beginning of year.....	535,181
Members admitted during year.....	88,935
Per cent of members at beginning of year.....	16.6
Members lost during year.....	57,216
Per cent of members at beginning of year.....	10.7
Net gain during year.....	31,719
Per cent of members at beginning of year.....	5.9
Total effective members at close of year.....	566,900

In 1903 the changes of membership in the incorporated societies were as follows:

Number of societies reporting.....	1,412
Effective members at beginning of year.....	258,346
Members admitted during year.....	19,842
Per cent of members at beginning of year.....	7.7
Members lost during year.....	18,274
Per cent of members at beginning of year.....	7.1
Net gain during year.....	1,568
Per cent of members at beginning of year.....	.6
Total effective members at close of year.....	259,914

As is shown by the next table, the loss of membership is mainly due to failure in payment of dues. In the incorporated societies out of a total loss of 18,274 members in 1903, 10,916, or nearly 60 per cent, were dropped for that reason.

## LOSS OF EFFECTIVE MEMBERSHIP DURING 1903 IN INCORPORATED MUTUAL BENEFIT SOCIETIES.

[Source: Le Società di Mutuo Soccorso, 1904.]

Cause of loss.	Number lost.	Per cent of total loss.	Loss per 100 members at beginning of year.
Death.....	3,981	21.8	1.5
Withdrawal.....	2,220	12.2	.9
Delinquency in payment of dues.....	10,916	59.7	4.2
Other causes.....	1,157	6.3	.5
Total.....	18,274	100.0	7.1

## BENEFITS.

As was stated in the introduction to this part of the report, the primary function of these benefit societies consists in granting sick relief. In 1885, 99.4 per cent of all societies, and in 1904, 95.8 per cent were granting such relief. Societies organized exclusively for forms of mutual relief other than sick benefits are therefore very exceptional, though somewhat more common now than twenty years ago. But in addition to sick benefits a very large number of societies furnish many other forms of relief, which are shown in the following tabular statement:

## NUMBER AND PER CENT OF MUTUAL BENEFIT SOCIETIES HAVING EACH KIND OF BENEFIT AT END OF YEARS 1885, 1894, AND 1904.

[Source: Le Società di Mutuo Soccorso, 1885, 1898, and 1904. Data are for 3,762 societies in 1885; 6,725 in 1894; and 1,548 incorporated and 4,987 unincorporated societies in 1904.]

Kind of benefit.	December 31, 1885.		December 31, 1894.		December 31, 1904.					
					Incorporated societies.		Unincorporated societies.		Total.	
	Number of societies.	Per cent.	Number of societies.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
Sick benefits.....	3,739	99.4	(a)	.....	1,501	97.0	4,758	95.4	6,259	95.8
Continuous benefits or pensions:										
Old age.....	1,545	41.1	b2,256	b33.6	564	36.4	1,054	21.1	1,618	24.8
Chronic diseases.....	1,801	47.9	(c)	(c)	576	37.2	1,393	27.9	1,969	30.1
Invalidity due to industrial accidents.....	1,401	37.2	489	7.3	427	27.6	811	16.3	1,238	18.9
To widows and orphans.....	520	13.8	(c)	(c)	116	7.5	176	3.5	292	4.5
Single payments:										
Old age.....	(a)	.....	b2,478	b36.9	264	17.1	785	15.7	1,049	16.1
Chronic diseases.....	(a)	.....	(c)	(c)	302	19.5	931	18.7	1,233	18.9
Invalidity due to industrial accidents (d).....	588	15.6	(a)	.....	300	19.4	733	14.7	1,033	15.8
To widows and orphans.....	1,176	31.3	(c)	(c)	542	35.0	1,355	27.2	1,897	29.0
Maternity benefits and for nursing...	384	10.2	451	6.7	123	8.0	449	9.0	572	8.8
Funeral benefits.....	1,700	45.2	1,891	28.1	736	47.6	2,231	44.7	2,967	45.4
Unemployment benefits.....	184	4.9	234	3.5	77	5.0	340	6.8	417	6.4
Subsidies to members of other societies in search of work.....	(a)	.....	429	6.4	(a)	.....	(a)	.....	(a)	.....
Subsidies for instruction of members or their children.....	301	8.0	417	6.2	(a)	.....	(a)	.....	(a)	.....
Subsidies to members in case of death of member of family.....	271	7.2	241	3.6	(a)	.....	(a)	.....	(a)	.....
Old age and invalidity insurance institutions.....	(a)	.....	.....	.....	97	6.3	256	5.1	353	5.4
Loans to members.....	(a)	.....	1,151	17.1	510	33.0	1,087	21.8	1,597	24.4
Cooperative stores.....	(a)	.....	409	6.1	193	12.5	359	7.2	552	8.5
Societies having organized cooperative enterprises.....	(a)	.....	174	2.6	(a)	.....	(a)	.....	(a)	.....
Societies having schools for members or their families.....	(a)	.....	467	6.9	(a)	.....	(a)	.....	(a)	.....
Societies finding employment for unemployed members.....	(a)	.....	545	8.1	(a)	.....	(a)	.....	(a)	.....

a Not reported.

b Including benefits for chronic diseases and to widows and orphans.

c Included in old-age benefits.

d For fatal accidents only, in 1885.

Though these other forms of relief are not altogether germane to the subject of sickness insurance, they are interesting, nevertheless, as characterizing the tendencies of voluntary mutual relief. These other forms of relief or other functions of the mutual benefit societies are very varied.

In addition to the main function of the mutual benefit societies, that of furnishing sick benefits, funeral benefits evidently constituted the most frequent feature, as nearly one-half of all enumerated societies furnished this form of assistance. Less common are the various forms of continuous payments in case of old age and invalidity, the payments which approach a system of pensions and for which, as was explained above, the mutual benefit societies are seldom prepared financially. About one-fourth of all societies in 1904 granted aid in form of continuous payments in case of old age, and nearly one-third in case of chronic diseases, which may be taken as an equivalent of invalidity. During the last twenty years, the proportion of societies granting such quasi pensions has considerably decreased (from 41.1 per cent to 24.8 per cent for old age, and from 47.9 to 30.1 per cent for invalidity). Similarly, the granting of continuous benefits in case of invalidity due to industrial accidents is a function which is being slowly eliminated (if the reports of 1885 and 1904 are compared) under the influence of the law of 1898. In many societies single-payment benefits are granted in case of old age or invalidity instead of continuous payments.

The same change from pensions or pension-like payments to lump-sum payments is found in relation to widows and orphans, the number of societies promising widows pensions having decreased from 520 to 292, while the number of those giving single-payment benefits has increased from 1,176 to 1,897. In view of the special interest displayed in Italy in the problem of maternity aid, it is interesting to observe that only about 10 per cent of the societies granted such aid in 1885, and that by 1904 the proportion had decreased to 8.8 per cent. On the other hand there has been a slight increase in the granting of unemployment benefits. Unfortunately there is very little information to be obtained as to the amount of aid granted under these many forms. Still less information is there in connection with other forms of activities of these mutual benefit societies, outside of the field of benefits for temporary or permanent disability, such as the cooperative and educational efforts.

The statistics of 1894, quite deficient in other respects, give more information about these secondary activities than do those of other years. There is, therefore, no way of gauging the growth of cooperative stores, schools, or employment offices supported by these mutual benefit societies.

A comparison of the data for incorporated and unincorporated societies for 1904 indicates that the secondary functions are more

frequent among the former, stronger societies, and that in a few forms of relief the incorporated societies are much more strongly represented. This is especially true, as appears from the table, for old-age, chronic-disease, and invalidity benefits.

**SICK BENEFITS.**—As the sick benefit is the most popular form of benefits paid by these mutual associations, they require a more detailed analysis. The constitutional provisions of 1,377 incorporated societies, concerning the conditions of payment and the amount of sick benefits, are presented in tabular form in the following table:

CONSTITUTIONAL PROVISIONS OF INCORPORATED MUTUAL BENEFIT SOCIETIES CONCERNING PAYMENT OF SICK BENEFITS, 1904.  
[Source: La Società di Mutuo Soccorso, 1904. Data are for 1,377 societies.]

Constitutional limit as to time.	Number of societies granting relief under conditions specified.	Per cent of total.	Constitutional limit as to amount of benefits.	Number of societies granting relief under conditions specified.	Per cent of total.
<b>TIME REQUIRED TO ELAPSE BEFORE TITLE TO SICK BENEFITS IS ESTABLISHED.</b>			<b>AMOUNT OF DAILY BENEFITS.</b>		
From beginning of membership:			Fixed:		
None.....	45	3.3	1 lira (\$0.193) and under.....	512	37.2
1 to 12 months.....	1,046	76.0	Over 1 lira (\$0.193).....	69	5.0
13 to 24 months.....	146	10.6	Variable maximums:		
Over 24 months.....	120	8.7	1 lira (\$0.193) and under.....	477	34.6
Indefinite.....	20	1.4	Over 1 lira (\$0.193).....	217	15.8
From beginning of illness:			Indefinite.....	102	7.4
None.....	338	24.5	<b>BENEFITS IN CASE OF INDUSTRIAL ACCIDENTS RESULTING IN—</b>		
1 to 3 days.....	831	60.4	Temporary disability:		
4 to 10 days.....	156	11.3	Equal to those for ordinary illness.....	823	59.8
Over 10 days.....	12	4.9	Less than those for ordinary illness.....	142	10.3
Indefinite.....	40	2.9	Permanent disability:		
Maximum duration of benefits:			Determined by by-laws.....	188	13.7
60 days and under.....	309	22.4	Not determined by by-laws...	354	25.7
From 61 to 120 days.....	455	33.1	Death:		
From 121 to 180 days.....	245	17.8	Determined by by-laws.....	285	20.7
Over 180 days.....	65	4.7	Not determined by by-laws...	179	13.0
Unlimited.....	207	15.0			
Indefinite.....	96	7.0			

Almost all societies require a certain length of membership before the right to receive sick benefits is acquired. In 76 per cent of the societies this limit is from 1 month to 12 months. In addition to this minimum membership duration there is also in most cases a certain period at the beginning of illness for which benefits are not paid, but this is not very long, only 1 to 3 days in 60.4 per cent of the societies, and in about one-fourth the benefits are paid from the beginning of illness.

Much variety is found in the maximum limits for payment of the benefits. In 207 societies no such constitutional limit exists. The most frequent limits are from 61 to 120 days, about one-third of the societies paying benefits for this time; and in 309 the maximum is 60 days and under. The amount of daily benefit paid by 71.8 per cent of these societies does not exceed 1 lira (19 cents). Less than 21 per cent of them pay over 1 lira (19 cents) per day.

In case of industrial accidents, most societies grant benefits equal to those for ordinary sickness.

The number of members of mutual benefit societies who received sick benefits and the number of days for which benefits were paid are shown in the following table for the years 1873, 1878, 1885, and 1903. The data for 1903 are for the incorporated societies only and include 69,029 cases of illness, an average of 29.1 cases per 100 members. These societies paid out \$265,295 as sick benefits during the year 1903, an average of \$1.09 per member, \$3.84 per case of illness, and \$4.32 per member receiving benefits.

NUMBER OF PERSONS RECEIVING SICK BENEFITS AND NUMBER OF DAYS FOR WHICH BENEFITS WERE PAID, 1873, 1878, 1885, AND 1903.

[Source: Le Società di Mutuo Soccorso, 1878, 1885, and 1904.]

Year.	Number receiving benefits during year.		Number of days for which benefits were paid.			
	Total.	Per 100 members.	Total.	Per member.	Per case of illness.	Per member receiving benefits.
1873.....	45,786	24.35	984,539	5.24	(a)	21.5
1878.....	67,229	23.26	1,512,216	5.23	(a)	22.5
1885.....	104,386	22.55	2,102,881	4.54	(a)	20.1
1903.....	b 59,258	b 25.00	b 1,293,923	b 5.52	b 18.7	b 22.0

a Not reported.

b Data are for incorporated societies only.

FINANCIAL STATISTICS.

The report for 1895 does not contain any statement concerning the financial status of the mutual benefit societies, and for 1862 the data are quite incomplete and therefore of little value. For the remaining years for which reports were made the data are reproduced in the few tables which follow. Not all societies furnished financial statements, but the number of societies which did furnish them is sufficiently large to make the data representative, if not accurate as to totals.

During the period of 31 years the proportion of revenue received from each source has not changed very much, though the total income has increased from \$619,110 in 1873 to \$2,804,758 in 1904. The regular contributions of the active members still represent by far the most important source of revenue, nearly two-thirds of the total. Voluntary contributions and dues of honorary members, which also partake of the nature of a voluntary assistance, increased about 4 per cent between 1885 and 1904. The remainder of the revenue is derived from investments and business enterprises, and this has not changed much, amounting to about 30 per cent of the total. In 1904 a considerable difference is found in the per cent of revenue from each source in the incorporated and unincorporated societies. The income from other sources, which includes income from investments, constitutes 37.8 per cent of the total revenues of incorporated societies, while in the case of the unincorporated societies this income amounts to 23.4 per cent of the total.

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1847

## REVENUE OF THE MUTUAL BENEFIT SOCIETIES, 1873, 1878, 1885, AND 1904.

[Source: Le Società di Mutuo Soccorso, 1885 and 1904. Data are for 1,101 societies in 1873, 1,940 in 1878, and 3,566 in 1885; for 1904 the number is not reported.]

Year.	Income from—								Total income.
	Investments.		Contributions of active members.		Voluntary contributions and dues of honorary members.		Other sources.		
	Amount.	Per cent of total.	Amount.	Per cent of total.	Amount.	Per cent of total.	Amount.	Per cent of total.	
1873.....	\$118,142	19.1	\$425,590	68.7	\$28,252	4.6	\$47,126	7.6	\$619,110
1878.....	195,630	19.6	644,308	64.5	36,500	3.6	123,171	12.3	999,609
1885.....	278,040	19.0	970,089	66.4	47,730	3.3	164,404	11.3	1,460,263
1904:									
Incorporated societies.	(a)	.....	633,491	53.7	99,984	8.5	b 446,065	37.8	1,179,540
Unincorporated societies.....	(a)	.....	1,141,791	70.3	102,727	6.3	b 380,700	23.4	1,625,218
Total, 1904.....	(a)	.....	1,775,282	63.3	202,711	7.2	b 826,765	29.5	2,804,758

a Included in income from other sources.

b Including income from investments.

For the year 1903 more detailed information as to the various sources of revenue is available, but it includes only the incorporated societies.

Of the total revenues, amounting to \$1,542,275, over one-third, namely \$531,045, represents gross revenues of the cooperative stores and other enterprises. It is impossible from the data available to determine what proportion of these gross revenues represented profits.

## REVENUE OF INCORPORATED MUTUAL BENEFIT SOCIETIES IN 1903.

[Source: Le Società di Mutuo Soccorso, 1904.]

Source of income.	Amount.	Per cent of total.
Real estate.....	\$25,996	1.7
Interest.....	264,292	17.1
Total capital revenues.....	290,288	18.8
Contributions of active members.....	595,337	38.6
Contributions of honorary members, etc.....	15,231	1.0
Total contributions of members.....	610,568	39.6
Gross revenues from:		
Cooperative stores.....	425,385	27.5
Other enterprises.....	105,661	6.9
Total gross revenues.....	531,046	34.4
Extraordinary revenues.....	110,372	7.2
Grand total.....	1,542,274	100.0

The expenditures of the mutual benefit societies are available in detail for 1873, 1878, and 1885, and also of the incorporated societies for 1903. For 1904 only the total expenditures for benefits and the cost of administration, which includes all other expenditures, are



given. Comparisons for the later year are therefore somewhat unsatisfactory. The expenditures for the years 1873, 1878, 1885, and 1904 were as follows:

EXPENDITURES OF MUTUAL BENEFIT SOCIETIES, 1873, 1878, 1885, AND 1904.

[Source: Le Società di Mutuo Soccorso, 1885 and 1904. Data are for 1,103 societies in 1873, 1,901 in 1878, and 3,602 in 1885; for 1904 the number is not reported.]

Year.	Expenditures for—						Total.
	Benefits.		Administration.		All other purposes.		
	Amount.	Per cent of total.	Amount.	Per cent of total.	Amount.	Per cent of total.	
1873.....	\$260,463	64.3	\$67,238	16.6	\$77,294	19.1	\$404,995
1878.....	492,356	71.5	122,210	17.8	73,574	10.7	688,140
1885.....	688,551	66.0	268,763	25.8	85,697	8.2	1,043,011
1904:							
Incorporated societies.....	566,127	60.2	a 373,759	a 39.8	(b)	(b)	939,886
Unincorporated societies..	876,017	65.6	a 459,573	a 34.4	(b)	(b)	1,335,590
Total, 1904.....	1,442,144	63.4	a 833,332	a 36.6	(b)	(b)	2,275,476

<sup>a</sup> Including expenditures for all other purposes.

<sup>b</sup> Included in expenditures for administration.

The comparative importance of the various forms of mutual benefit is shown in the following table, but unfortunately the data for 1903 do not include any but the incorporated societies. It is therefore somewhat difficult to tell what the tendency was during the last twenty years. Up to 1885 the payment of sick benefits was by far the most important function of these societies. In 1903 the incorporated societies spent for sick benefits, inclusive of medical and pharmaceutical help, a little more than one-half of their total expenditure for relief.

EXPENDITURES OF THE MUTUAL BENEFIT SOCIETIES FOR BENEFITS, BY KIND OF BENEFITS, 1873, 1878, 1885, AND 1903.

[Source: Le Società di Mutuo Soccorso, 1873, 1878, 1885, and 1904.]

Kind of benefits.	1873.		1878.		1885.		1903 (incorporated societies only).	
	Amount.	Per cent of total.	Amount.	Per cent of total.	Amount.	Per cent of total.	Amount.	Per cent of total.
Sick benefits.....	\$191,301	73.4	\$304,753	61.9	<sup>a</sup> \$427,450	62.1	\$266,656	45.8
Physicians and medicine.....	25,564	9.8	37,154	7.5	59,493	8.6	41,306	7.1
Funeral expenses.....	5,346	2.1	8,782	1.8	24,513	3.6	10,287	1.8
To families of defunct members...	9,499	3.7	21,140	4.3	12,102	1.8	35,933	6.2
Permanent disability.....	<sup>b</sup> 20,404	<sup>b</sup> 7.8	<sup>b</sup> 114,130	<sup>b</sup> 23.2	<sup>b</sup> 135,027	<sup>b</sup> 19.6	60,309	10.4
Superannuation.....	(c)	(c)	(c)	(c)	(c)	(c)	149,011	25.6
Unemployment.....	8,349	3.2	6,397	1.3	6,328	.9	(d)	.....
Other.....					23,638	3.4	18,349	3.1
Total.....	260,463	100.0	492,356	100.0	688,551	100.0	581,851	100.0

<sup>a</sup> Including \$6,743 for temporary disability and \$2,737 for maternity benefits and nursing.

<sup>b</sup> Including superannuation benefits.

<sup>c</sup> Included in permanent disability benefits.

<sup>d</sup> Not reported.

The total assets of the societies, and also the average assets per society and per member, are shown in the following table for the various years reported. There is seen to have been an almost constant growth not only in the total assets, but in the average assets per society and per member. The average assets of the incorporated societies are more than three times that of the unincorporated societies. This is partly explained by the larger membership in the incorporated societies, but the average assets per member are also considerably larger—more than twice as much.

ASSETS OF THE MUTUAL BENEFIT SOCIETIES, 1873, 1878, 1885, and 1904.

[Source: Le Società di Mutuo Soccorso, 1885 and 1904. Data are for 1,095 societies in 1873, 1,949 in 1878, 3,520 in 1885, and 1,514 incorporated and 4,485 unincorporated societies in 1904.]

Year.	Total assets.	Average per society.	Average per member.
1873.....	\$1,806,013	\$1,648	\$8.56
1878.....	4,060,341	2,093	12.45
1885.....	6,214,762	1,766	11.72
1904:			
Incorporated societies.....	7,114,285	4,684	24.77
Unincorporated societies.....	6,858,055	1,522	11.61
Total, 1904.....	13,972,340	2,319	15.92

The next table shows for 1904 the distribution of both incorporated and unincorporated societies by the amount of assets. Over one-half of the societies (54.08 per cent) are found to own less than \$965, about one-third of the societies (34.09 per cent) have assets of \$965 and under \$9,650, and only 3.63 per cent own \$9,650 and over, no data being available for the remaining 8.2 per cent. The differences between the assets of the incorporated and unincorporated societies are sufficiently well brought out in the table.

ASSETS OF THE MUTUAL BENEFIT SOCIETIES ON DECEMBER 31, 1904, BY AMOUNT OF ASSETS.

[Source: Le Società di Mutuo Soccorso, 1904.]

Amount of assets.	Incorporated societies.		Unincorporated societies.		All societies.	
	Number.	Per cent of total.	Number.	Per cent of total.	Number.	Per cent of total.
Under \$193 (1,000 lire).....	197	12.72	1,220	24.46	1,417	21.68
\$193 and under \$965.....	378	24.42	1,739	34.87	2,117	32.40
\$965 and under \$1,930.....	300	19.38	689	13.82	989	15.13
\$1,930 and under \$9,650.....	519	33.53	720	14.44	1,239	18.96
\$9,650 and under \$19,300.....	66	4.26	90	1.80	156	2.39
\$19,300 and under \$48,250.....	40	2.58	20	.40	60	.92
\$48,250 and under \$96,500.....	6	.39	6	.12	12	.18
\$96,500 to \$193,000.....	4	.26	1	.02	5	.08
Over \$193,000.....	4	.26	.....	.....	4	.06
Not reported.....	34	2.20	502	10.07	536	8.20
Total.....	1,548	100.00	4,987	100.00	6,535	100.00

**PROPOSED REFORM OF MUTUAL BENEFIT SOCIETIES.**

Only a very small proportion of the workmen of Italy were able to join the existing voluntary societies in which the entire burden of the cost of insurance falls upon their own resources. In 1907 the Council of Providence and Social Insurance appointed a special commission for the study of necessary reforms in the status of the mutual benefit societies. After over a year of work the commission reported a bill for establishing a system of government subsidies to sickness insurance societies. The fact that the proposal of this special commission received the approval of the whole council makes this plan a matter of considerable importance.

The main provisions of the proposed plan, which is to serve as a substitute for the old act of 1886, are as follows: In addition to the nonregistered societies and those registered under the new law, there is to be created a third group of so-called authorized societies. The requirements for registration are practically left unchanged. But for authorization the requirements are considerably more stringent. The societies must be of a certain size, namely, not less than 200 active members (the statistics quoted on page 1839 showed that less than one-fifth of the societies had the necessary membership). They must grant a certain minimum of benefits, namely, (1) all necessary medical and surgical aid from the very first day of sickness and at least for six months; (2) a sick benefit of at least 1 lira (19.3 cents) per day for adults, and of one-half lira (9.7 cents) for children 16 years and under, from the fourth day of sickness till the end of three months, and at least one-half that amount for the succeeding three months. Special provision is made for maternity benefits, which in view of the recent act establishing compulsory maternity insurance for working women, is now of minor importance. This maternity benefit must consist of a daily benefit of one lira (19.3 cents) for at least 30 days, part of which may precede the birth of the child. The dues of these authorized societies must be computed with consideration for the special needs, but must not be less than one lira (19.3 cents) per month. In addition to individual mutual benefit societies, federations of such societies are permitted, both in the registered group and in the authorized group. The recognition as well as authorization is left to the minister of agriculture, industry and commerce, and the authorized societies are to be subjected to stricter supervision of the Government.

The object of this authorization is to provide a group of financially sound and carefully supervised mutual benefit societies, to which substantial subsidy is to be granted by the national treasury. For this purpose a special annual appropriation of two million lire (\$386,000) was proposed. This fund is to be divided among all the authorized benefit societies in proportion to their membership. The system pro-

posed is to include additional subsidies for invalidity insurance in the following way: Each member of the authorized mutual benefit society who is insured in the National Old-Age and Invalidity Insurance Institution is to count as two in this distribution, and only one share is to go to his society, and the other to his private account in the old-age insurance fund. Moreover, another substantial benefit is to be extended to these authorized mutual benefit societies. The National Old-Age and Invalidity Insurance Institution is permitted to act as a central institute for sickness insurance, and to enter into agreement with authorized benefit funds, or federations of such benefit funds to insure their members a continuation of the sick benefit of one-half lira (9.7 cents) beyond the normal limit of six months for the whole duration of sickness.

#### **MATERNITY INSURANCE.**

While the general condition of sickness insurance in Italy is still very unsatisfactory, since only a small proportion of the working population enjoys the benefits of such insurance and the State has done very little except provide conditions of incorporation, a very strong and very interesting movement toward compulsory insurance, in at least one branch of sickness insurance, was started in Italy within the last decade—that of maternity insurance, which very recently was successful in accomplishing this result.

By "maternity insurance" is meant insurance of medical or financial assistance to the mother for a certain period before and after childbirth.

The theoretical question may be raised whether such a form of insurance may properly be considered a branch of sickness insurance. But, as a matter of fact, medical and financial assistance in case of childbirth is often rendered, usually in connection with general sickness insurance institutions. This is the case not only in the compulsory system of sickness insurance in Germany, but also in the voluntary sickness insurance institutions of Italy. But it is the insufficiency of the voluntary system of sickness insurance, its failure to include all those who are in need of it, and the evidence of the special urgency of such insurance for a working woman during childbirth, that created the movement for maternity insurance in Italy. It is very interesting to note that in the reports of the proceedings of the international congresses on workmen's insurance all the reports and discussions on maternity insurance were furnished by Italian delegates, and the Italian legislative work in connection with that problem bears strong evidence of the influence of these reports.

The information obtainable from the six censuses of Italian mutual benefit societies concerning their activity in maternity insurance is somewhat meager. While it shows a rather rapid growth, it nevertheless demonstrates the very limited extent of such relief. The

censuses of 1862, 1873, and 1878, unfortunately, do not show this function at all, combining it probably with other forms of sick benefits. The census of 1894 contains no financial data. Thus only a comparison between 1885 and 1904 is possible; and even for these years maternity benefits are combined with all other benefits for nursing. In 1885, 384 societies out of 3,762, or 10.2 per cent, were giving such benefits; in 1894, 451 out of 6,725, or only 6.7 per cent; and in 1904, 572 out of 6,535, or 8.8 per cent. The total expenditure for this purpose in 1885, as far as obtained by that investigation, was only 14,182 lire (\$2,737.13), and later data are not available.

#### SPECIAL PRIVATE MATERNITY INSURANCE INSTITUTIONS.

The organization of a private maternity insurance institution was first proposed before the workmen's insurance congress in Milan in 1894; and the plan proposed was made the object of a vigorous agitation by many organizations of Italian women. A thorough study of the question was undertaken by the Italian Hygienic Society, and in 1898 it prepared the constitution of a maternity insurance institution; and though the institution has never been realized, the plan of the proposed organization is nevertheless of some interest. The object of the projected institution was to grant financial assistance of at least 1 lira (19 cents) per day for 20 days, 8 days before and 12 days after childbirth. The means were to come from contributions of the active members, according to a schedule which was to take the ages of the members into consideration, but private donations were to be solicited. The right to the benefits was made conditional upon at least 300 days of previous membership. A reserve fund was to be created, into which 20 per cent of the annual surplus was payable, while 75 per cent of this surplus was to be redistributed among the active members. The administration was left to the general meeting of all members, and officers were to be elected by this meeting.

Another plan, which also failed, was proposed by the Savings Bank of Bologna. It was a scheme of individual saving rather than insurance. It was contemplated to issue special "maternity saving books," only to girls under 16 years of age who are employed in manual labor, or whose parents are so employed, to be subject to the general rules for savings accounts, except that the savings so made were to be available only in case of childbirth; and as an encouragement to such savings a special fund of 200,000 lire (\$38,600) was to be created, the interest of which was to be distributed among the owners of these special maternity accounts. Only in cases of childbirth in marriage, or within the first 300 days of widowhood, were these savings to be repaid.

The first plan which materialized was conceived in Turin. A league for the defense of the interests of women was organized in

Turin early in 1895, and a congress of workmen of Piedmont, held in Turin early in 1896, unanimously voted in favor of establishing a maternity insurance fund. Soon after that the league appointed an organization committee and in the beginning of 1898 this fund was established. According to its constitution (<sup>a</sup>) the aim of this fund is to enable its active members to abstain from work for some time before and after childbirth. The total period during which benefits are normally given is 30 days, while in case of illness accompanying childbirth, special provisions are made, up to a maximum of 45 days. The normal period is divided into two terms, 15 days before and 15 days after childbirth. In case of miscarriage or premature labor, only the second term is paid for.

The daily benefit for the period is 1.50 lire (29 cents), and it is given only upon proof of actual abstention from work. Other conditions exacted are that the woman be not pregnant at the time of admission to membership, that normal childbirth does not take place until nine months after admission to membership, and that the members' dues be regularly paid.

The resources from which these benefits are paid are membership fees and charitable donations or other miscellaneous revenues. Members are divided into three classes—active, contributing, and honorary; but from a financial point of view only the first two classes are important. Contributing members are persons who join the association from humanitarian considerations, and they are divided into three groups—founders, who contribute not less than 1,000 lire (\$193) as a lump sum; life members, who contribute not less than 50 lire (\$9.65) at once, either in money or in commodities; and contributing members, who agree to contribute 2 lire (39 cents) per annum for at least 5 years. Active members pay 50 centesimi (10 cents) per month.

An interesting subsidiary function of the association is the annual awarding of premiums to mothers who take the best care of their infants, as judged by physicians and lady visitors.

Naturally, only women of the childbearing age could be expected to join this association. A birth rate of 50 per cent was therefore expected, but by experience it was reduced to 40 per cent. With this rate in view, the financial status of the association is seen from the following computation:

With a daily benefit of 1.50 lire (29 cents) during 30 days, the normal amount of benefits per each case amounts to 45 lire (\$8.69), or 1,800 lire (\$347.40) for each 100 active members, without taking into consideration the cost of administration. The annual member-

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<sup>a</sup> Henri Scodnik, *L'Institution de Caisses pour la Maternité en Italie* (Congrès International des Accidents du Travail et des Assurances Sociales. Sixième Session tenue à Dusseldorf du 17 au 24 juin, 1902), pp. 667-680.



ship dues of these 100 members amount to 600 lire (\$115.80), or only one-third of the necessary cost, leaving 1,200 lire (\$231.60), or two-thirds, to be obtained from contributing members or from other charitable sources. Yet 6 lire (\$1.16) per annum is considered quite high for dues, considering the wages for labor in Italy, the old-age insurance institutions not daring to demand more than that. Thus a voluntary system of maternity insurance in Italy seems to meet the unsurmountable difficulty of excessive cost.

The provisions of this society were somewhat modified <sup>(a)</sup> in 1904, when the society was recognized under the law of 1886. An effort was made to adjust the membership dues to the risk of maternity, though in a rather crude way. The dues are 35 centesimi (7 cents) per month for women under 21 years of age, 55 centesimi (11 cents) per month for women 21 to 30 years old, and 45 centesimi (9 cents) per month for women over 30 years of age. The number of members in 1907 was 494, and the number of cases assisted only 121, or less than 25 per cent. Nevertheless, the membership dues were not sufficient to support the society.

Five more maternity benefit societies are known to have been organized—one in each of the cities of Milan, Rome, Florence, and Brescia in 1905, and one in Bergamo in 1906.

In the Milan society the membership dues vary from 1.20 lire (23 cents) to 9 lire (\$1.74) per annum for members under 20 years of age, and for all over 20 years of age they are 9.60 lire (\$1.85) per annum, while the total maternity benefit must not exceed 30 lire (\$5.79). The society in Rome, while offering a benefit equal to that of the society at Turin, exacts as dues only 25 centesimi (5 cents) per month. The society of Florence gives a daily benefit of 1.50 lire (29 cents) for twenty days before accouchment and for an equal period after accouchment, making a total benefit of 60 lire (\$11.58), and also exacts higher dues—45 centesimi (9 cents) per month for members under 21 years of age, 65 centesimi (13 cents) for members from 21 to 30 years, and 55 centesimi (11 cents) for those over 30 years of age.

The society at Bergamo charges membership dues of 40 centesimi (8 cents), 60 centesimi (12 cents), and 50 centesimi (10 cents) per month, respectively, for the same three age groups as shown for the Florence society, in addition to an initiation fee of 1 lira (19 cents), and grants a benefit of 40 lire (\$7.72).

The society at Brescia charges 40 centesimi (8 cents), 55 centesimi (11 cents), and 45 centesimi (9 cents), respectively, for the same three age groups, and grants a daily benefit of 1.50 lire (29 cents) for thirty days, or a total of 45 lire (\$8.69).

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<sup>a</sup> Henri Scodnik, *L'Assurance Maternelle et les Caisses pour la Maternité* (Congrès International des Assurances Sociales, 8<sup>e</sup> session, Rome, octobre, 1908).

The variations show that there is no real actuarial basis for all these societies, which are partly self-supporting.

A great stimulus to the public interest in the problem of maternity insurance was given by the adoption on June 19, 1902, of the law regulating industrial employment of women and children. (<sup>a</sup>) Article 6 of this law specifically prohibits employment of women within one month after childbirth. In exceptional cases this period may be reduced to three weeks, provided the woman furnishes a certificate signed by the bureau of hygiene of the locality in which she resides, certifying that the state of her health is such that she may, without any harm to herself, perform the work for which she desires to be employed. Thus the law established a period of legal disability, accompanied by an enforced loss of earnings, and it was natural that in both chambers of the Parliament the adoption of this law was accompanied by resolutions that the Government be called upon to prepare a plan for the establishment of a national maternity insurance institution, in which membership should be obligatory for all those female workers to whom this law applies, namely, employees of mines, factories, and workshops.

#### INVESTIGATION OF THE BUREAU OF LABOR.

To prepare the statistical and actuarial foundations for a bill to establish a system of obligatory maternity insurance, the minister of agriculture, industry, and commerce charged the Italian Bureau of Labor to undertake an investigation extending only to those women who are covered by the law of June 19, 1902. The investigation was undertaken in 1903, and the report published in 1904, being the first statistical investigation of that bureau. It covered the year December 1, 1902, to November 30, 1903, and included 172,365 female employees in 2,654 establishments.

According to the Italian census of 1901, the number of female employees and their proportion to the total number of employees is shown in the following table:

#### NUMBER AND PER CENT OF FEMALE EMPLOYEES IN EACH INDUSTRY GROUP, 1901.

[Source: Ministero di Agricoltura, Industria e Commercio, Ufficio del Lavoro. *Basì Tecniche di una Cassa di Maternità.*]

Industry group.	Total number of employees.	Female employees.	
		Number.	Per cent.
Mines, metallurgy, mechanical, and chemical industries.....	1,002,728	20,219	2
Food products.....	162,883	19,353	12
Textiles.....	458,302	366,571	80
All other.....	971,781	324,673	33
Total.....	2,595,694	730,816	28

<sup>a</sup> Belgium. Office du Travail, *Annuaire de la Legislation du Travail*, 6<sup>e</sup> année, 1902.

The total number of females employed in the industries, according to the census of 1901, was 730,816. On the other hand, the statistical office of the Ministry of Agriculture, Industry, and Commerce has published its own enumeration of the industrial establishments subject to the law of June 19, 1902, as follows:

NUMBER AND PER CENT OF FEMALE EMPLOYEES IN EACH INDUSTRY GROUP, 1902.

[Source: Ministero di Agricoltura, Industria e Commercio, Ufficio del Lavoro. *Basi Tecniche di una Cassa di Maternità*, 1904.]

Industry group.	Number of establishments.	Total number of employees.	Female employees.					
			Under 15 years of age.		Over 15 years of age.		Total.	Per cent of total employees.
			Number.	Per cent.	Number.	Per cent.		
Mines, metallurgy, mechanical, and chemical industries	29,000	374,711	3,407	12.0	24,931	88.0	28,338	7.6
Food products.....	95,800	249,464	1,700	7.2	21,799	92.8	23,499	9.4
Textiles.....	6,523	421,643	54,039	17.3	257,921	82.7	311,960	74.0
All other.....	12,670	228,888	23,202	26.8	63,469	73.2	86,671	37.9
Total.....	143,993	1,274,706	82,348	18.3	368,120	81.7	450,468	35.3

Thus out of an aggregate of 1,274,706 employees, 450,468, or 35.3 per cent, were females; but of these only 368,120, or 81.7 per cent, were over 15 years of age, constituting only 28.9 per cent of the aggregate.

The investigation of the Bureau of Labor embraced only 2,654 establishments, out of 143,993 or less than 2 per cent, but these establishments employed 172,365 females between the ages of 15 and 54, or 46.8 per cent of all female employees over 15 years of age, which makes the results of the investigation sufficiently accurate.

In the following table are shown the statistical results of this investigation, somewhat simplified by the exclusion of actuarial details. The table shows, by the four industrial groups, the birth rate per 1,000 full-year employees, the average wage of the female employees between 15 and 54 years of age, and the average wage of women giving birth to children, which is somewhat higher, and finally a computation of the relation between the dues necessary to cover the cost of maternity insurance and the wages of the female employees. The benefits, which are paid for 30 days, are made equal to one-half the daily wage, or three-fourths the daily wage. The birth rate was found to be only 45 per thousand full-year workers, while it is 120 per thousand for the corresponding ages in Italy at large. This is easily explained by the great proportion of unmarried women among the factory employees. The final conclusion of the computation seems to show that 0.3 of one per cent of the wages would be necessary to provide maternity benefits amounting to one-

half the wages for 30 days, and 0.45 of one per cent of the wages for maternity benefits amounting to three-fourths of the wages for 30 days.

BIRTH RATE, AVERAGE WAGES, AND PROPORTION OF WAGES NECESSARY TO INSURE MATERNITY BENEFIT, BY INDUSTRY GROUPS, 1902.

[Source: Ministero di Agricoltura, Industria e Commercio, Ufficio del Lavoro. *Basì Tecniche di una Cassa di Maternità*, 1904.]

Industry group.	Number of establishments.	Number of female employees Nov. 30, 1902.	Computed number of full-year employees.	Number of full-year working women per 1,000 employees.	Number of cases of child-birth among the wage-workers.	Number of cases of child-birth per 1,000 full-year workers.	Average daily wage of female employees.	Average daily wage of those who became mothers.	Premiums necessary to insure a maternity benefit for 30 days (expressed in 10,000 parts of the wages.)	
									When benefit is $\frac{1}{2}$ of wages.	When benefit is $\frac{3}{4}$ of wages.
Mines, metallurgy, mechanical, and chemical industries.....	244	7,029	5,834	830	271	46	\$0.23	\$0.26	36	55
Food products.....	90	1,595	1,085	680	42	39	.25	.26	34	51
Textiles.....	1,643	134,770	120,778	896	4,683	39	.22	.23	25	38
All other.....	677	28,971	25,998	897	1,897	73	.30	.32	46	69
Total.....	2,654	172,365	153,695	892	6,893	45	.23	.26	30	45

BILL OF 1905.

The results of this investigation and the discussion of the problem of maternity insurance both by the council of provident institutions (a) and by the superior council of labor (b) resulted in a bill which was introduced in the Chamber of Deputies on May 27, 1905, (c) by the minister of agriculture, industry and commerce. The bill aimed to establish a system of obligatory maternity insurance, limited to women between the ages of 15 and 50, employed in mines, factories, and workshops.

For this purpose a national institution or fund was proposed with headquarters in Rome, to be administered by the National Old-Age and Invalidity Insurance Institution, as an autonomous section of the same.

In this institution the insurance was to be compulsory for all women of the class and age designated. The benefit necessary was placed approximately at three-fourths of the daily wage for 30 days, rather than a flat per diem rate, which would have no relation to the local variations in the cost of living, as the wages do to a great

a Atti del Consiglio de Previdenza (Ministero di Agricoltura, Industria e Commercio, Ispettorato Generale del Credito e della Previdenza), *Annali del Credito e della Previdenza*, Anno 1903, No. 51.  
b Atti del Consiglio Superiore del Lavoro, III Sessione, 1904.  
c Bollettino dell' Ufficio del Lavoro, Vol. III, 1905.

extent. It was also thought proper that the employer share with the employee the cost of this form of insurance.

The bill proposed to group the wages, contributions, and benefits into seven classes rather than to leave the determination of either to special computation in each case. This slight deviation from abstract justice was justified by consideration of administrative simplicity. Accordingly the following wage groups with the corresponding contributions and benefits were prepared:

CONTRIBUTIONS AND BENEFITS, BY WAGE GROUPS.

[Source: Bollettino dell' Ufficio del Lavoro, 1905, Vol. III.]

Group.	Daily wages.		Annual contributions.		Daily benefits.	
	<i>Lire.</i>		<i>Lire.</i>		<i>Lire.</i>	
1.....	Under 0.60.....	Under \$0.116....	1.20	\$0.232	1.00	\$0.193
2.....	0.61 to 1.20.....	\$0.118 to \$0.232....	2.40	.463	1.00	.193
3.....	1.21 to 1.80.....	.234 to .347....	3.60	.695	1.35	.261
4.....	1.81 to 2.40.....	.349 to .463....	4.80	.926	1.80	.347
5.....	2.41 to 3.00.....	.465 to .579....	6.00	1.158	2.25	.424
6.....	3.01 to 3.60.....	.581 to .695....	7.20	1.390	2.70	.521
7.....	3.61 and over.....	.697 and over....	8.40	1.621	3.15	.608

The annual contributions represented two days' wages, or about two-thirds of 1 per cent of the annual earnings, based on the maximum wage of each group, except in group 7, in which the contribution is limited to 8.4 lire (\$1.62). The daily benefits represented three-fourths of the maximum daily wage of the group, except that in the first two groups a flat rate of 1 lira (19 cents) per day was established, being for some employees even higher than the daily wage, and in group 7 the daily benefit was limited to 3.15 lire (61 cents).

Other proposed sources of income for this institution were fines and penalties collected for noncompliance with the demands of the law, and private contributions and donations. But the membership dues have been adjusted to cover the cost of insurance. They were to be paid by the employer, who was to be permitted to deduct one-half of it from the wages of the insured. Every three years, or oftener, if found necessary, a technical revision was contemplated and the amount of contribution could then be changed if necessary.

The rates suggested in the bill of 1905, amounting approximately to two days' wages, or about 0.67 of 1 per cent of the annual wages, are somewhat higher than the rate obtained by the investigation of 1903 (0.45 of 1 per cent). The report justifies this increase first, because in the statistical investigation miscarriages were not taken into consideration, and because due weight was not given to women employed only a part of the time. The expenses of administration must also be taken into consideration, even though they would not be very great if this form of insurance is managed largely by the old-age and invalidity insurance institution. The elimination of the female em-

ployees 50 to 54 years old, which were included in the investigation of 1903, will naturally not decrease the number of births very materially and therefore will increase the birth rate.

#### BILL OF 1907.

Notwithstanding the active support given the bill of 1905 by many labor organizations, it did not command active attention in the Chamber of Deputies. It was referred, however, to a parliamentary commission, which did not bring in its report until more than two years later. The Ministry of Agriculture, Industry and Commerce having meanwhile been entrusted to another minister, the commission modified the bill of 1905 to conform to the ideas of the new incumbent.<sup>a</sup> The commission admitted all the contentions brought in support of the preceding bills. It stated that in the opinion of the majority of the members it was also desirable that the State share in the cost of this insurance equally with the employer and employee, but it did not succeed in bringing the Government over to this point of view, and therefore relinquished the demand rather than delay the adoption of this law.

In one very essential feature the original bill was modified. The complicated schedule dividing the female employees into 7 wage groups with corresponding rates of dues and benefits was abolished and a flat rate of 1.50 lire (29 cents) per employee was substituted, while the amount of benefits was placed at the lump sum of 30 lire (\$5.79). In making this change, the commission argued that the absence of satisfactory statistical information concerning maternity insurance whether in Italy or abroad made any efforts at perfect justice in dues and benefits futile, that the scale suggested by the bill of 1905 failed to establish such justice, while it introduced a great many complications, and therefore for purposes of simplicity a uniform rate of both dues and benefits was preferable. The rate of dues suggested imposed a burden of only 75 centesimi (14½ cents) per annum upon the women insured, and therefore was not burdensome to the poorest employees, while the benefit of 30 lire (\$5.79) represented three-fourths of the average daily wages of the childbearing woman for thirty days, or the full wages for about twenty-two days.

#### BILL OF 1909.

The report of the parliamentary commission of December 20, 1907, was not acted upon by the Parliament because of the closing of the

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<sup>a</sup> Bollettino dell' Ufficio del Lavoro, 1908, Vol. IX, p. 379. German text of the bill in Zacher's *Arbeiterversicherung im Auslande*, Heft VI, C., p. 47. French text in Henri Scodnik's *L'Assurance Maternelle et les Caisses pour la Maternité* (Congrès International des Assurances Sociales, 8<sup>e</sup> session, Rome), p. 63.



session, and a new bill was introduced on March 29, 1909. This new bill was practically identical with that reported by the commission on December 20, 1907.

The one important change concerned the rate of membership dues. Instead of a flat rate of 1.50 lire (29 cents) per annum for each employee from 15 to 50 years of age, the rate proposed in this bill was 1 lira (19 cents) for those from 15 to 20 years old and 2 lire (39 cents) for those over 20 and under 50 years of age. This change was based mainly upon the great difference in the maternity rates for women of these two different age groups.<sup>(a)</sup> It has been computed that this annual rate for women 15 to 20 years of age is 0.3 of 1 per cent, while for women 20 to 31 years of age it is 8.4 per cent. The statistics of women at work in Italy<sup>(b)</sup> shows that women from 15 to 20 years old constitute 38.5 per cent of all female employees over 15 years of age and women from 20 to 55 years of age 58.7 per cent. A rate of 1 lira (19 cents) per annum for the former, and 2 lire (39 cents) per annum for the women from 20 to 50 years of age will evidently average only a little more than 1.50 lire (29 cents) per employee, and yet be more equitable, in view of the different maternity risk, than the flat per capita rate.

Another change of some importance was that of denying the right of benefit in the case of intentional abortion, while the cases of normal abortion or miscarriage were treated as ordinary cases of labor.

In none of the bills proposed and here discussed has any effort been made to furnish different rates for married and unmarried employees.

The parliamentary commission brought in a very favorable report upon this bill in June, 1910<sup>(c)</sup>. The commission again put forward the principle of state subsidy and found greater encouragement in the new cabinet, which followed the ministerial crisis of December, 1909. Instead of the earlier demand for equal contributions from all the three parties concerned, a compromise was reached in the proposal that to each maternity benefit of 30 lire (\$5.79) the State contribute a subsidy of 10 lire (\$1.93). This represents the only important amendment proposed by the parliamentary commission.

A month later the entire text of the bill as presented by the commission was adopted by the Parliament without any changes, and on July 17, 1910, the act became a law, thus establishing the first national institution for maternity insurance in the world.

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<sup>a</sup> Bollettino dell' Ufficio del Lavoro, Vol. XI, aprile, 1909.

<sup>b</sup> La Donna nell' Industria Italiana (Pubblicazione dell' Ufficio del Lavoro, Serie B, No. 5, Ann. 1905).

<sup>c</sup> Bollettino dell' Ufficio del Lavoro, Vol. XIII, June, 1910.

PROVISIONS OF THE LAW OF JULY 17, 1910.<sup>a</sup>

The purpose of the law is to establish a national maternity fund for granting benefits to working women in case of childbirth.

The extent of the application of the law is made harmonious with that of the act of November 10, 1907, regulating the work of women and children. Only such women as are protected by this earlier act are covered by the new maternity fund, with a further exception of female employees of the State for whom special provision at least equally favorable exists.

The benefits granted amount to 40 lire (\$7.72), of which the maternity fund contributes three-fourths and the State grants a subsidy of one-fourth. This amount must be considered in connection with the requirement of the law that in case of childbirth the mother shall discontinue work for at least seven weeks, and it must also be remembered that 1 lira (19.3 cents) per day is the usual minimum for sick benefits in Italian mutual benefit societies.

An important requirement of the law is that this benefit must be paid promptly. At least one-half must be paid during the first week after parturition. Authority is given by the law for the regulations to require that the employer make advance payments to the working woman, to be reimbursed subsequently by the fund.

This benefit can not be assigned, and is not subject to seizure. Any agreement to waive the right to this benefit is declared null and void. Moreover, the right to the benefit is made independent of the fact, whether the required contributions to the fund have been made or not. A year's time, counting from day of childbirth or abortion, is given to begin action for claiming the benefit.

The employer, the employee, and the State contribute to the fund. A compulsory annual contribution to the fund is required from all employees to which the act applies, namely, to working women between the ages of 15 and 50. For women 15 to 20 years old the contribution is one lira (19.3 cents) per annum, and for women 20 to 50 years old, two lire (38.6 cents). Of this contribution, equal shares are to be paid by the employer and the employee.

The contribution is to be paid by the employer, who may deduct one-half of it from the wages of the employee. Any effort to raise the share of the employees in these deductions is punishable by a fine.

In case of failure of the employer to pay all or part of the required contributions, no rights are forfeited by his employees. The usual benefits must be paid to them, and the fund is authorized to collect the amount due, together with a fine, from the employer.

The contribution from the State amounts to 10 lire (\$1.93) per case, or one-fourth of the entire benefit, and does not constitute a revenue of the fund properly speaking.

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<sup>a</sup> Bollettino di Notizie sul Credito e Sulla Previdenza, Anno XXVIII, August, 1910.

Other revenues of the fund, foreseen in the law, are fines collected from employers for noncompliance with the requirements of the law, and gifts or legacies or other miscellaneous contributions to the fund.

An indirect contribution from the State is represented by the assumption of the cost of administration and the granting of other privileges, such as freedom from taxes and registry fees for all documents in connection with its administration.

The maternity fund is intrusted for administrative purposes to the National Old-Age and Invalidity Insurance Institution, though the finances of the two institutions must be kept entirely separate. The seat of the new institution is therefore in Rome. The maternity fund is to be administered directly by a special committee, appointed by the administrative council of the old-age insurance institution. Provision is made for representation of both employers and employees on that committee; one-third of the committee to consist of the former and one-third of the latter. These representatives of both the employers and employees are to be nominated, however, by the minister of agriculture, industry, and commerce from the colleges of prud'hommes (*collegi di probi-viri*) of the industries in which women are employed.

The financial organization is also intrusted to the National Old-Age and Invalidity Insurance Institution, though the accounts must be kept separately. During the first year of the application of the law this institution is to advance the necessary amounts to the maternity fund, to be repaid in five annual installments with a 4 per cent rate of interest.

Annual reports to the Parliament concerning the activity of the fund are required of the minister of agriculture, industry, and commerce, these reports to contain all necessary suggestions concerning the revision of the actuarial basis of the fund.

All the details of the application of the law are left to the regulations, which by the act were required to receive formal approval by royal decree within six months of the approval of the original act. The act is to go into effect three months after the publication of the regulations.

#### OLD-AGE AND INVALIDITY INSURANCE.

##### NATIONAL OLD-AGE AND INVALIDITY INSURANCE INSTITUTION.

In its system of compulsory insurance against industrial accidents Italy followed to a great extent the example of Germany, but it looked to France and Belgium for models of a system of old-age insurance, and the National Institution for Insurance of Workmen against Invalidity and Old Age (*Cassa Nazionale di Previdenza per la Invalidità e per la Vecchiaia degli Operai*), established by the law of July 17, 1898, is an institution for voluntary but subsidized insurance, and

shows a pronounced similarity to the corresponding French and Belgian institutions.

Established in the same year in which the law concerning compulsory accident insurance was passed, this system of voluntary insurance has also a history of nearly twenty years of persistent efforts.

#### HISTORY.

It is interesting to note that the first effort to establish a state institution for old-age insurance in Italy dates back as far as 1859. A bill providing for such insurance became a law on July 15, 1859. This law did not impose any financial obligations upon the state treasury and therefore offered no additional inducement for old-age provision except that presented by the existence of an insurance institution (*Cassa di rendite vitalizie per la vecchiaia*).<sup>(a)</sup> The law never went into effect because of the political events of the following decade. A proposition to revive this old law was made in the Chamber of Deputies on February 3, 1877, but without success.<sup>(b)</sup>

Agitation for the establishment of an institution to provide old-age pensions, organized by labor organizations in Bologna, led to the appointment, on October 11, 1879, of a commission<sup>(c)</sup> by the minister of interior and the minister of agriculture, industry, and commerce for the study of this problem and the preparation of a bill and regulations for an old-age and invalidity pension institution.<sup>(a)</sup> The commission brought in a report and the text of a bill, in which was proposed the establishment of an old-age insurance institution for the exclusive insurance of wage-workers. It proposed a limit of 600 lire (\$115.80) to insurance written. The revenues of the institution were to consist mainly of the premiums of the insured, secondly, of voluntary contribution or legacies, and finally of certain state subsidies.

The management of this institution was to be intrusted to the National Bank for Loans and Deposits, and the local post-offices were to act as agencies. The cost of organization and administration was to be advanced by the State and gradually repaid from the extraordinary revenues of the institution. A form of cooperation was provided between this institution and private mutual benefit societies; furthermore, the commission proposed to encourage old-age insurance

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<sup>a</sup> Atti Parlamentari, Legislatura XV, Prima Sessione, 1882-83, Camera dei Deputati, No. 75.

<sup>b</sup> Atti Parlamentari, Legislatura XIII, Sessione 1876-77, Camera dei Deputati, No. 55.

<sup>c</sup> Zacher, VI, 1899, p. 29. Atti Parlamentari, Legislatura XV, Prima Sessione, 1882-83, Camera dei Deputati, No. 75.

by federations of such mutual benefit societies by offering them free of any expense the cooperation of the local post-office for the receipt of contributions and payment of pensions.

Based upon these recommendations of the commission, a bill<sup>(a)</sup> was introduced by the minister of agriculture, industry, and commerce in the Chamber of Deputies on November 30, 1881, for the establishment of a national institution for workmen's pensions. The essential features of this proposal were, first, its special designation for the use of wage-earners, and, secondly, the proposal to turn over to this institution as a state subsidy to the insured 20 per cent of the net profits of all the savings banks, private as well as postal. This provision of the bill caused considerable criticism and opposition from the savings banks, which claimed that such a tax would be an infringement of their rights and would endanger their own obligations.

On the other hand, the formation of an old-age pension institution without some material state subsidy offered very little hope for success in view of the very low standard of earnings of the Italian workmen; and the state treasury was not in a condition to furnish a direct subsidy without additional taxation.

The bill of 1881 never came up for discussion in the Chamber of Deputies. It was reintroduced with some modifications on February 19, 1883.<sup>(b)</sup>

According to this bill, the old-age pension institution, though an independent organization, was to be administered by the National Bank of Deposits and Loans. All workers of either sex over 18 years of age could take insurance for old-age pensions in this institution. The monthly contributions were to be not less than 1 lira (19 cents) nor more than 4 lire (77 cents), and an entrance fee of from 5 to 50 lire (97 cents to \$9.65) was to be required. In addition to the contributions of the insured, several other sources of revenue were provided; namely, two-tenths of the net profits of the postal savings banks, but not of the other savings banks<sup>(c)</sup> and a few minor sources of revenue. Pensions were to be payable at any time after the insured had reached 50 years of age, provided he had been paying his premiums for fifteen years. In case of invalidity before reaching this age limit, special pensions could be granted by the committee.

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<sup>a</sup> Zacher, VI, p. 29. Atti Parlamentari, Legislatura XIV, Prima Sessione, Camera dei Deputati, No. 263.

<sup>b</sup> Atti Parlamentari, Legislatura XV, Prima Sessione, 1882-83, Camera dei Deputati, No. 75.

<sup>c</sup> According to the law of May 27, 1875, establishing the postal savings banks, seven-tenths of the net profits of the savings banks are distributed to the depositors, and the remaining three-tenths must be distributed as premiums to provident institutions. The assignment of two-tenths to the national pension institution was therefore claimed as a fulfillment of their legal obligations.

Two forms of old-age insurance were recognized, so-called "general" and "mutual." These have been called elsewhere in this report insurance with reserved capital and with alienated capital, the essential difference being that under general insurance the accumulations were payable to the heirs in case of death before the pension was granted, while in mutual insurance such accumulations were to be forfeited. The two different classes of insurance were to be kept separately, and the accumulations of profits in the mutual class naturally would be higher.

In the mutual class the granting of the pension was to be compulsory at the age of 65. But in either form of insurance, at the time of granting the pension, it could be computed in accordance with the wishes of the insured, so as to reserve the entire amount of the accumulations or part of them, as property of the insured, to be paid to his heirs, or without any reservation of the capital at all. Besides, the old-age pension institution was to be authorized to sell pensions for a capital value to relatives of workmen compensated by the National Accident Insurance Institution for fatal accidents.

Very exhaustive tables based upon Italian mortality statistics accompanied the bill.

In the memorial explanatory of the purposes of the bill its authors emphasized the fact that the institution was intended exclusively for the working classes, and therefore could not become a depository for the savings of small proprietors, as was claimed to be the case in France and Belgium.

To stimulate a desire for self-help the authors of the bill thought a state institution necessary, and discarded the proposal to impose this duty upon local savings banks or mutual benefit societies as utterly unsatisfactory.

The bill was based entirely upon the principle of voluntary insurance, and the authors took a very strong stand against any proposition to make old-age pension insurance obligatory.

The bill of 1883 met the same fate as the bill of 1881; it never came up for parliamentary consideration. Two years later, in June, 1885, the new minister of agriculture, industry, and commerce introduced a bill which in many of its provisions radically differed from the previous bills, and at the same time the bill of 1883 was recalled by royal decree.<sup>(a)</sup>

The bill of 1885 did not provide for direct state insurance as did the two previous bills. The result of neither the French nor the Belgian experience was considered favorable to such a plan, and the plan itself in Italy has called forth the criticism of bearing the

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<sup>a</sup> Atti Parlamentari, Legislatura XV, Prima Sessione, 1882-83, Camera dei Deputati, No. 75a.



earmarks of state socialism and excessive centralization. Equally good results were claimed to be possible through private institutions, singly or in federations, but under government supervision and control, and the National Accident Insurance Institution established in 1883 was quoted as an example. The bill provided therefore that each savings bank could be authorized to write old-age pension insurance by depositing a guarantee fund of 50,000 lire (\$9,650). Several savings banks could unite in forming an old-age fund. To each old-age insurance institution thus organized a definite geographic district was to be assigned. Insurance was allowed to all workers over the age of 15. Only insurance with reserved capital was to be permitted; that is, the premiums and interest being returnable in case of death. The pensions were to begin at the age of 50, though they could be postponed. When a pension was granted, it might be given with or without the reservation of the rights of the insured to his original accumulations, and even lump-sum payments might be substituted for pensions.

The state subsidies to the insured remained nearly the same as in the previous bills, but they were divided into two groups, the annual subsidy and an eventual subsidy, the payment of the latter being delayed until the fund reached a certain amount. The main bond between the many old-age pension insurance institutions was to be formed by the distribution of these subsidies among them in direct proportion to the number of insured. These were to be further distributed in equal amounts among all insured persons who had paid in not less than 6 lire (\$1.16) during the current year. The cooperation of the postal savings banks for collection of premiums was another form of state assistance. This bill did not have any better success than its predecessors. The Parliament dissolved before it came up for discussion.

The fourth bill in this series of unsuccessful efforts was introduced in the Lower Chamber on December 9, 1887.<sup>a</sup> In this bill the tendency away from a direct state insurance toward a system of state subsidy and supervision of private local pension insuring institutions was even more pronounced than in the preceding bill. The bill of 1887 provided for the establishment of a special fund in connection with the Bank of Deposits and Loans. This fund was to be utilized for distribution of subsidies to institutions for insurance of workers against old age, and the selection of the institutions and the assignment of subsidies to each were to be left to ministerial decrees, with the provision that the distribution must be in proportion to the number of insured persons over 15 years of age who had paid in during the year not less than five lire (97 cents), and the subsidy should not exceed twenty lire (\$3.86). In return for this subsidy the

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<sup>a</sup> Atti Parlamentari, Legislatura XVI, Camera dei Deputati, No. 74.

pension insuring institutions must present annual reports of their accounts and otherwise comply with the regulations to be promulgated in compliance with the law.

This bill made somewhat better headway than its three predecessors. It was referred to a parliamentary commission which brought in a favorable report on July 2, 1888, but because of the closing of the session of the Parliament in December of the same year, the report of the commission did not come up for consideration.

The bill was reintroduced on December 11, 1889, again referred to a commission, which brought in its report on July 11, 1890, approving the bill with some modifications; but it made no further progress.

The fate of the earlier bills indicated a lack of interest in the system of voluntary old-age insurance. None of the bills introduced within the eighties had even achieved the dignity of a discussion on the floor of the Chamber. This may explain the long interval which elapsed before the next effort in the same direction was made. The next bill was introduced on February 23, 1893,<sup>a</sup> and was entitled "A Proposal for the Establishment of a National Institution for Invalids of Industry."

Notwithstanding this difference in name the bill was very similar to those introduced in 1881 and 1883. It proposed the establishment of a national old-age insurance institution rather than a subsidy to local and privately organized funds. Though legally autonomous, it was to be regulated by statutes prepared by the minister of agriculture, industry, and commerce, and approved by royal decree. Like all the previous bills, it proposed an institution for the special benefit of wage-workers and a voluntary system of insurance with state subsidies. From the list of these subsidies the contribution from the income of the postal savings banks had been omitted. The annual contributions of the insured were to be not less than 12 lire (\$2.32), nor more than 100 lire (\$19.30); and both the individual form of insurance (with reserved capital) and the mutual form (with alienated capital in case of death before pensioning) were permitted. Pensions were to be granted at the age of 60 or over, but only after 15 years of insurance. In case of invalidity such pensions might be granted before the expiration of such terms. In all cases the pensions depended upon the individual deposits, the interest, and the additional benefits conferred through distribution of the subsidies. This distribution was to take place for the first time in 15 years after the organization and proportionately to the number of years of membership, and after that annually in equal shares to all making the minimum contri-

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<sup>a</sup> Italian text: Atti Parlamentari, Legislatura XVIII, Prima Sessione, Camera dei Deputati, No. 245. Bollettino di Notizie sul Credito e sulla Previdenza, 1893, Vol. II. French text: Bulletin du Comité Permanent du Congrès International, vol. 5. German text: Bökler, Arbeiterversicherung, 1895.

bution, the subsidy not to exceed 60 lire (\$11.58) per annum to each person insured. Various minor privileges were also conferred upon the institution. In the main, however, the technical regulations, the tables and computations were to be left to be elaborated by the minister of agriculture, industry, and commerce.

The bill never came up for discussion in the Chamber.

"A Bill for the Establishment of a National Institution for the Insurance of Wage-workers against Invalidity and Old Age" was introduced on April 13, 1897, passed on July 14, 1898, and approved by the Crown on July 17, 1898. Thus the establishment of the national institution for invalidity and old-age insurance followed very rapidly the adoption of the law for compulsory insurance against industrial accidents.

#### LEGISLATION.

The following is a list of the important laws, decrees, and similar enactments which have been promulgated concerning the National Institution for Insurance of Wage-workers against Invalidity and Old Age since its organization.

(1) The organic law establishing the institution was passed on July 17, 1898,<sup>(a)</sup> to go into effect one month after the approval of its constitution.

(2)<sup>b</sup> The constitution of the institution was approved by royal decree on June 18, 1899.<sup>(b)</sup>

(3) The technical regulations of the institution were approved by royal decree on June 18, 1899.<sup>(b)</sup>

(4) Regulations for all branch offices of the institution were promulgated by the royal decree of July 29, 1900.<sup>(c)</sup>

(5) The provisional tables for computations of earned pensions were approved by royal decree of February 3, 1901.<sup>(d)</sup>

(6) Law of July 7, 1901, amending that of July 17, 1898.<sup>(e)</sup>

(7) Codified text of the law, consolidating the act of July 17, 1898, and the amending act of July 7, 1901, published by royal decree of July 28, 1901.<sup>(e)</sup>

<sup>a</sup> Italian text: Bollettino di Notizie sul Credito e sulla Previdenza, XIX, 1901. German text: Zacher, VI. French text: Annuaire de la Législation du Travail; 2d Annuaire, 1898.

<sup>b</sup> Italian text: Annali del Credito e della Previdenza, 1899. Atti del Consiglio della Previdenza, Prima Sessione. French text: Annuaire de la Législation du Travail, 1899.

<sup>c</sup> Bollettino di Notizie sul Credito e sulla Previdenza, XIX, 1901.

<sup>d</sup> Italian text: Bollettino di Notizie sul Credito e sulla Previdenza, XIX, 1901. French text: Annuaire de la Législation du Travail, 1901.

<sup>e</sup> Italian text: Bollettino di Notizie sul Credito e sulla Previdenza, XIX, 1901. German text: Zacher, VIa. French text: Annuaire de la Législation du Travail, 1901.

(8) Royal decree of December 22, 1901, authorizing the national institution to write insurance for life annuities.<sup>(a)</sup>

(9) New constitution of the institution,<sup>(b)</sup> approved by royal decree of May 21, 1902.

(10) New technical regulations of the institution, approved by royal decree of May 22, 1902.<sup>(c)</sup>

(11) Law of July 3, 1902, turning over to the old-age insurance institution certain small abandoned accounts with the postal savings banks.<sup>(d)</sup>

(12) Law of March 13, 1904, amending the law (codified text) of July 28, 1901.<sup>(e)</sup>

(13) Royal decree of June 26, 1904, approving the premium tariffs and general conditions of the popular insurance of life annuities<sup>(f)</sup> as permitted by the royal decree of December 22, 1901. (See above No. 8 in this list.)<sup>(f)</sup>

(14) Royal decree of September 2, 1904, amending the technical regulations.<sup>(g)</sup>

(15) Royal decree of September 2, 1904, amending the constitution.<sup>(g)</sup>

(16) Royal decree of November 18, 1905, amending the decree of June 26, 1904, concerning the premium tariffs and the general conditions of the popular insurance of life annuities.<sup>(h)</sup>

(17) Royal decree of December 16, 1906, concerning the tariffs of workmen's annuities.<sup>(i)</sup>

(18) Law of December 30, 1906, amending the codified text of the law of July 28, 1901, and the law of March 13, 1904.<sup>(j)</sup>

(19) Codified text of the law, approved by royal decree of May 30, 1907.<sup>(k)</sup>

<sup>a</sup> Bollettino di Notizie sul Credito e sulla Previdenza, XIX, 1901.

<sup>b</sup> Italian text: Bollettino di Notizie sul Credito e sulla Previdenza, XX, 1902. French text: Annuaire de la Législation du Travail, 1902.

<sup>c</sup> Italian text: Bollettino di Notizie sul Credito e sulla Previdenza, XX, 1902. French text: Annuaire de la Législation du Travail, 1902. German text: Zacher, VIa.

<sup>d</sup> Bollettino di Notizie sul Credito e sulla Previdenza, XX, 1902.

<sup>e</sup> Italian text: Bollettino di Notizie sul Credito e sulla Previdenza, XXII, 1904. German text: Zacher, VIa.

<sup>f</sup> Bollettino di Notizie sul Credito e sulla Previdenza, XXII, 1904.

<sup>g</sup> Italian text: Bollettino di Notizie sul Credito e sulla Previdenza, XXII, 1904. French text: Annuaire de la Législation du Travail, 1904.

<sup>h</sup> Bollettino di Notizie sul Credito e sulla Previdenza, XXIII, 1905.

<sup>i</sup> Bollettino di Notizie sul Credito e sulla Previdenza, XXV, 1907.

<sup>j</sup> Italian text: Bollettino di Notizie sul Credito e sulla Previdenza, XXV, 1907. French text: Annuaire de la Législation du Travail, 1906.

<sup>k</sup> Italian text: Bollettino di Notizie sul Credito e sulla Previdenza, XXV, 1907. French text: Annuaire de la Législation du Travail. German text: Zacher, VIb.

(20) Constitution of the institution, approved by royal decree of March 18, 1909.<sup>(a)</sup>

(21) Technical regulations, approved by royal decree of March 18, 1909.<sup>(b)</sup>

Not all of this legislation is in force at present. The new codified texts of the law have successively been substituted for the older texts, and with the approval of the new statutes and regulations the preceding ones were repealed. In the following pages only the legislative acts now in force will be studied in detail. But it is necessary to precede such detailed analysis by a brief review of the changes in legislation affecting the National Institution for Insurance of Wage-workers against Invalidity and Old Age, because only through such study of the changes can the tendencies in the growth and development of old-age insurance in Italy be understood. Briefly, the history of the legislation concerning this institution is: The first law was approved on July 17, 1898, and the actual operations of the fund began in October, 1899.

The first amending act was approved on July 7, 1901, and the codified text of the law was promulgated by royal decree July 28, 1901, and went into effect on August 1, 1901.

The second general amending act was approved on December 30, 1906, and the codified text was promulgated by the royal decree of May 30, 1907. Some of the important changes of this law did not go into effect until March 18, 1909, when the new constitution and the technical regulations of the institution were approved.

**LAW OF 1898.**—The National Institution for Insurance of Workmen against Invalidity and Old Age as established by the law of July 17, 1898, is an institution for voluntary insurance open to all wage-workers who are citizens of Italy. The amount of contributions is left entirely to the free will of the insured, except that a maximum limit of 100 lire (\$19.30) per annum is established, and contributions smaller than 50 centesimi (10 cents) are not received. These contributions are credited to each insured person's individual account, but, besides, additions are made to the individual accounts of all persons paying in at least 6 lire (\$1.16) during the year. These additions are obtained partly from the interest on the endowment funds and partly from the annual revenues allotted to the institution.

The endowment fund of 10,000,000 lire (\$1,930,000) has been formed from two sources, contributing equal shares of 5,000,000 lire (\$965,000) each—the net profits of the postal savings banks and the fund of invalidated bank notes not presented for cancellation.

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<sup>a</sup> Statuto in esecuzione della legge (testo unico), 30 maggio 1907. Published by Cassa Nazionale di Previdenza per la Invalidità e per la Vecchiaia degli Operai.

<sup>b</sup> Regolamento lectrico, etc., published by the Cassa, etc.

In addition numerous other revenues were diverted to the treasury of the newly-created institution, to be used partly as annual revenues and partly to swell the endowment fund. Even from the annual revenues a portion must be diverted to the endowment fund for the first 10 years, so as to bring it up to 16,000,000 lire (\$3,088,000).

The essential feature of this plan is that no definite amount of additional benefits is guaranteed to the insured persons. They appear to be somewhat accidental, depending upon the revenues received by the institution, and being inversely proportionate to the number of persons insured, among whom the amount must be distributed. Only the maximum limit, 12 lire (\$2.32) per annum to each person, is established.

The list of revenues diverted to this institution is very interesting. No direct subsidy from the state treasury is given, but a large number of trust funds are thus transferred, as follows:<sup>(a)</sup>

The first fund of 5,000,000 lire (\$965,000) was taken from the value of the bank notes issued in accordance with a law of April, 1874, and canceled because of failure to present them for redemption in accordance with the law of April 7, 1881, which discontinued the compulsory circulation of these bank notes and established certain time limits for their redemption in specie or treasury notes. The amount of bank notes not presented for redemption and therefore canceled by October 1, 1894, was 13,343,796 lire (\$2,575,353). The appropriation for the benefit of the old-age and invalidity insurance institution, therefore, amounted to less than one-half of the net gain of the Government from this operation.

The second fund of 5,000,000 lire (\$965,000) was taken from the available net profits of the postal savings banks, which were organized in 1876, and by the end of 1896 had accumulated a surplus of 19,652,721 lire (\$3,792,975).

The following additional sources of revenue were created for the increase of the 10,000,000 lire (\$1,930,000) endowment fund:<sup>(b)</sup>

(1) A law reorganizing the banks of issue was passed on August 10, 1893. The old notes were taken out of circulation on December 31, 1897, and if not presented for payment within five years half their value was to be turned over to the old-age institution.

(2) According to the law of May 27, 1875, deposit accounts of postal savings banks which remain absolutely inactive for 30 years were transferred to the Bank of Deposits and Loans. These are given to the old-age institution.

(3) Deposits in the Bank of Deposits and Loans which remain unclaimed for 30 years were invalidated according to the law of

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<sup>a</sup> Atti Parlamentari, Legislatura XX, prima sessione, 1897, Camera dei Deputati, Documenti No. 68A, Allegato II.

<sup>b</sup> See Prof. Carlo F. Ferraris in Braun's *Archiv für Soziale Gesetzgebung und Statistik*, vol. 13, 1899.



May 17, 1863. These invalidated deposits are now transferred to the old-age insurance institution.

(4) By the law of July 7, 1866, dissolving the religious orders, their property was used to form the so-called religious fund. From the proceeds of this fund expenditures for pensions are made to members of these orders and for other religious purposes. Of the excess of the proceeds over expenditures, one-fourth is paid to the local communities where the property is located, and three-fourths revert to the State. Of this share, one-tenth was granted to the old-age insurance institutions.

(5) All other private grants, bequests, etc.

The following sources were designated as regular annual revenues:

(1) A portion of the net profits of the postal savings banks—for 1897 and 1898, 30 per cent, and from January 1, 1899, 50 per cent, and in addition to this when the total deposits exceed 500,000,000 lire (\$96,500,000), 70 per cent of the net revenues attributable to that excess:

(2) Fifty per cent of the net income from the deposits of court fees and similar court moneys deposited according to the law of June 29, 1882, in the Bank of Deposits and Loans (for 1897 and 1898 only 25 per cent).

(3) Legacies reverting to the State.

(4) The interest upon the endowment fund; and (5) all other revenues.

These various sources of annual revenue and the interest on the endowment fund are expected to provide means for substantial increments to the personal accounts of the members. These accounts, carefully computed according to the detailed provisions contained in the law, form the basis for payment of pensions.

Normally the accounts were to be liquidated—that is, transformed into annuities when the member reached 60 or 65 years of age, and after at least 25 years have elapsed since the first payment. This rule would not permit the insurance of persons over 40 years of age, and for the first two years insurance for a shorter period (20, 15, or 10 years) was permitted. This was subsequently extended by the law of July 7, 1901, to December 31, 1903, and by the law of March 13, 1904, to December 31, 1905. The conversion of the accumulated account into an annuity was to take place according to the ordinary insurance principles, and according to a special table based upon Italian mortality statistics.

Under certain conditions payment of the entire value or part of the value of the accumulated account was payable in a lump sum instead of as an annuity. Also the annuity could be purchased with reserved capital or alienated capital.

Two forms of insurance are allowed, the plan of reserved payments and the mutual plan; the essential difference between these two

plans being that in the former, in case of death before a right to an annuity is acquired, the accumulated payments are paid to the heirs of the deceased, while in the latter plan such payments are distributed among all other members insured according to the same plan. As a matter of fact, the difference is not so great as might appear, for the insurance with reserved payments has also the element of mutuality in it. Only the actual contributions of the member are returned to his heirs and all the additions made to the accounts are redistributed among the other members. The amount of annuity purchasable for a stated amount is much greater under the mutual plan, but the plan of reserving the payments may appeal more forcibly to a workman who does not wish his family to lose his accumulations in case of his premature death.

The amount of annuity purchasable for \$1 per annum under each plan is shown in the following table:

AMOUNT OF ANNUITY PURCHASABLE FOR \$1 PER ANNUM UNDER THE MUTUAL PLAN AND UNDER THE RESERVED PLAN.

Age at beginning of insurance.	Annuity to begin at the age of—			
	60 years.		65 years.	
	Mutual plan.	Reserved plan.	Mutual plan.	Reserved plan.
25 years.....	\$11.40	\$7.87	\$21.08	\$12.37
30 years.....	8.36	5.99	15.66	9.59
35 years.....	5.95	4.45	11.37	7.30
40 years.....	4.07	3.18	8.02	5.42

It is seen from the above that the system established was primarily one of old-age insurance, the provisions for invalidity being insignificant. It was permitted to grant an annuity on the basis of accumulated accounts in case of invalidity, provided five years have elapsed since the beginning of insurance. In addition a special invalids' fund was established for granting additional increases of annuity to invalids, but the sources of this invalids' fund are very meager.

AMENDING ACT OF 1901.—The amending act of July 7, 1901, introduced many changes which, though of considerable importance, did not affect the general principles of the old-age insurance system outlined above. The changes introduced are mainly in the nature of slight financial benefits to the institution:

1. In 1893 and 1894 small treasury notes of 1 lira (19 cents) and 2 lire (39 cents) denominations were issued for circulation to the amount of 110,000,000 lire (\$21,230,000). According to the law of February 11, 1899, these notes were ordered taken out of circulation on December 31, 1901. The amount of such notes outstanding and not presented for payment and cancellation by the end of

1902 were deposited in January, 1903, as a voluntary interest-bearing deposit in the Bank of Deposits and Loans, to serve as a fund for redemption of the outstanding notes. The interest from this deposit is transferred to the old-age insurance institution for the increase of its endowment fund.

2. A modification was introduced in the method of reverting to the old-age insurance institution fund one-half the value of such bank notes as should not be presented for redemption before June 30, 1904. It was estimated by the Government that about 8,000,000 lire (\$1,544,000) worth of these bank notes were probably lost, and they were taken out of circulation. The law ordered, therefore, that the three banks of issue (Banca d'Italia, Banca di Napoli, and Banca di Sicilia) pay to the Bank of Deposits and Loans the sum of 8,000,000 lire (\$1,544,000), proportionately to their amounts of outstanding circulation. This fund was invested in 8 per cent Government bonds and divided equally, one-half being to the credit of the old-age insurance institution and one-half to the credit of the three banks named, proportionately to the sums contributed by them. This fund is to be held for the redemption of bank notes, and as they will become invalid the deposit will be turned over, one-half to the old-age institution and one-half to the banks named. Thus the revenue from the sum had been anticipated nearly three years before the final invalidation of the bank notes.

3. The regulations concerning the contribution from the religious fund have been stated above. The new law provided that within the five years beginning with the year 1901-2 these payments should constitute 2,950,000 lire (\$569,350).

While the above amendments referred mainly to the sources of revenue, others introduced some changes in the methods of insurance. The age of liquidation of accounts was reduced for female members from 60 to 55 years, and the period for accepting shorter time insurance was extended until December 31, 1903. Participation in the distribution of additional increments to their accounts was permitted to those members who have not paid in within the year the minimum of 6 lire (\$1.16), provided the sum of payments made by them was not less than 6 lire (\$1.16) multiplied by the years of membership; regulations were provided for continuation of membership of persons who ceased to be wage-workers; the list of securities in which the institution might invest its funds was extended by including guaranteed railroad securities; and a few changes were introduced in the system of administration.

LAW OF 1904.—A few additional changes were introduced by the brief act of March 13, 1904. The right to issue insurance for periods as short as 10 years was extended from December 31, 1903, to December 31, 1905, as almost one-third of all persons insured had taken out

insurance for less than 25 years, and this form was evidently very popular.

The lists of permitted investments were further extended by including securities of loan banks and urban real estate; the latter having been specifically prohibited by the law of July 17, 1898, which even required the institution to dispose of all real estate involuntarily acquired within five years, and forbade the acquisition of buildings even for its own use. The amount invested in real estate must not, however, exceed one-fifth of the amount invested in government bonds.

AMENDING ACT OF 1906.—While the preceding amendatory acts only slightly modified the provisions of the law of July 17, 1898, the act of December 30, 1906, substituted an almost entirely new act, amending about 20 out of the 32 sections of the consolidated act of July 28, 1901.

On February 2, 1906, a bill containing an entirely new text of the whole law governing the old-age and invalidity insurance institution, and embodying the ideas of the administrative council of the institution<sup>(a)</sup>, was introduced in the lower chamber. The main changes proposed by this bill were as follows:

The insurance for periods shorter than 25 years (thus enabling persons over 40 years of age to insure), permitted temporarily in the original law and the temporary permission extended repeatedly, proved so popular that the authors of the bill proposed to embody a permanent provision to that effect.<sup>(b)</sup>

Furthermore, to facilitate this form of insurance, it substituted for the demand of a lump-sum payment for all insurance for less than 25 years, an additional annual payment of 1 lira (19 cents) for each year less than 25.

The second and most important change suggested was in the method of computing annuities. According to the previous legislation, the accounts consisted of 6 and 7 items annually. Especially in case of mutual insurance, when an annual redistribution of the accounts of deceased members was required, very elaborate rules for such redistribution were necessary. In reality the system was found to work very poorly. In many cases of death notice failed to reach the institution, as in a case of mutual insurance there was no material consideration to prompt the relatives of the insured to give such notice. The computation of interest on all the accounts was also a very complicated process. The bill proposed therefor the substitution of an assumed mortality table for the mutual insurance and also interest tables, and a computation of the annuity value of each in-

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<sup>a</sup> See *Bollettino di Notizie sul Credito e sulla Previdenza*, 1906.

<sup>b</sup> See statement accompanying the text of the bill, in *Bollettino di Notizie sul Credito e sulla Previdenza*, 1906, vol. 24.

dividual payment or of any other addition to individual accounts, so that the computation of the total annuity may be quickly computed by addition of the separate annuity items. In case of postponement of the annuity until 65 years of age, a recomputation on the basis of the tables of mortality and probability of life could be easily accomplished.

The third important change proposed consisted in strengthening the invalidity pensions. The actual determination of the amount was left to the administrative council. The invalidity fund, amounting to only about 2,000,000 lire (\$386,000), did not permit of very large annuities. The Government had previously announced its intention of allowing the invalidity fund a special subsidy of 10,000,000 lire (\$1,930,000). Upon the basis of this increase in the invalidity fund, the bill proposed to establish a minimum invalidity annuity of 120 lire (\$23.16). A bill introduced in the Chamber of Deputies on March 20, 1906, also included these three important proposals and several other minor changes which eventually were embodied in the law.<sup>(a)</sup>

On May 17, 1906, the government bill was introduced in the Chamber of Deputies. The cabinet having undergone a reorganization soon after that, practically the same bill was reintroduced by the new minister of agriculture, industry, and commerce, supported by other new ministers. On November 27, 1906, the bill was referred to a parliamentary commission, which brought in its report, with very few changes, on November 27, 1906. It became a law on December 30, 1906, without any deviations from the text as amended by the commission.

The essential changes introduced by this act were as follows:

(1) The material simplification of personal accounts, as explained above, by substituting tables for computation of the annuity value of each payment and benefit, for a complex annual redistribution and computation of interest upon all the accounts.

(2) The establishment of a minimum invalidity annuity of 120 lire (\$23.16) by means of the addition of 10,000,000 lire (\$1,930,000) to the invalidity fund.

(3) The part of the net profits of the postal savings banks, reverting to the old-age institution, was definitely established at 70 per cent.

(4) The extension of all the benefits of membership in the institution to such independent producers as do not pay over 30 lire (\$5.79) per year in taxes.

(5) The maximum limit of annual contributions previously put at 100 lire (\$19.30) was eliminated. The minimum was raised from 50 centesimi (10 cents) to 1 lira (19 cents).

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<sup>a</sup> Bollettino di Notizie sul Credito e sulla Previdenza, vol. 24, 1906.

(6) This rule in combination with the preceding one evidently created the danger of growth of excessively large accounts. To counteract this danger, persons with an acquired annuity of over 1,000 lire (\$193) were debarred from further benefits.

(7) While the normal age of maturing of annuity was left as before, an earlier age of 55 years was established in certain kinds of work requiring severe physical exertion, such as mining, blast furnaces, foundries, steam boilers, glass factories, and railroad service.

(8) For this lower annuity age, a higher minimum of payments, 9 lire (\$1.74) instead of 6 lire (\$1.16), was required.

(9) The requirement of 25 years of insurance was left in normal cases; but payment of annuities before the expiration of the period was permitted on condition of higher minimum premiums, provided the required age was reached.

(10) The financial organization was somewhat changed. A members' fund was added to the existing four funds, the endowment fund, annuity fund, invalidity fund, and reserve fund; and the latter was made to protect not only the annuity fund but also the members' fund.

(11) The deductions from the annual incomes to strengthen the permanent funds were left to the discretion of the administrative council, but must not be less than 30 per cent, to be used in necessary proportions to increase the endowment fund, the invalid fund, and the extraordinary reserve fund.

(12) The maximum amount of the annual ordinary benefits was reduced from 12 to 10 lire (\$2.32 to \$1.93).

The amending act of December 30, 1906, went into effect immediately, with the exceptions indicated below, and the codified text of the law was published by royal decree of May 30, 1907.

Excepted were (1) the provisions as to changes in the administrative council and (2) the changes in the methods of keeping the individual accounts and computing the value of annuities, which were made dependent upon the promulgation of a new constitution and regulations for the old-age insurance institution. The administrative council of the insurance institution at its sessions in December, 1907, adopted the texts of both the constitution and the regulations, and they were approved by royal decree of March 18, 1909.

#### ANALYSIS OF LEGISLATION IN FORCE.

The institution is officially known as "The National Institution for the Insurance of Workers against Invalidity and Old Age" (*Cassa Nazionale di Previdenza per la Invalidità e per la Vecchiaia degli Operai*), and its purposes are apparent from this name. This insurance is entirely voluntary, and the privilege of being insured in this institution is offered to all Italian citizens engaged mainly in manual



labor for time wages or piece wages, or on their own account provided they do not pay more than 30 lire (\$5.79) per annum in taxes of any nature. Married women may be insured without the permission of the husband and minor persons without the permission of parent or guardian.

The institution may carry on an old-age insurance business among other classes of the population (so-called popular annuity insurance), but under special conditions, which will be explained presently.

When a regularly insured person ceases to satisfy the above-mentioned requirements, he is transferred to the popular insurance branch.

**FORMS OF INSURANCE.**—At the time of taking out the insurance the insured person must select one of the two recognized forms of insurance; the mutual form or the form of reserved contributions. In the first form, the payments of the insured are not returned; under the second form the actual value of the contributions made by the insured or by other persons for him are returned to his dependent relatives according to the following rules:

The surviving consort receives the whole amount when neither children nor relatives in an ascending line survive. When children survive, the consort receives 40 per cent and the children 60 per cent; when no children, but relatives in an ascending line survive, the consort receives 60 per cent and the latter 40 per cent.

When no consort survives the children receive the entire amount in equal portions; and in the absence of either a consort or children, the entire amount reverts to the relatives in an ascending line. Finally, when no consort, child, or ascending relative survives, the amount goes to the other descendants and brothers and sisters under 18 years of age, or disabled because of some physical or mental defect and who were supported by the insured while living.

The time for making application is limited to two years, and if no legal heirs under the above rules are disclosed within that time the amount subject to repayment is turned over to the invalidity fund.

**CONTRIBUTIONS OF INSURED.**—No regular premiums are exacted, the amount of contribution being left entirely to the option of the insured, except that contributions smaller than 1 lira (19 cents) are not accepted, nor are contributions including fractions of a lira accepted. This minimum limit of a single contribution is quite high, and may be claimed to be too high to stimulate the habit of small savings. To meet this difficulty the regulations provide for a method of making smaller savings by means of postage stamps. For that purpose special stamp cards are provided which are distributed without cost by the branches of the institution and through post-offices. These cards are ruled into squares, where ordinary postage stamps may be pasted until a full card represents a saving of 1 lira (19 cents), and may be handed in instead of cash. The accounts are sub-

sequently adjusted between the insurance institution and the Ministry of Posts and Telegraphs.

Certain minimum contributions are established to qualify the insured persons for the benefits given by the institution. These minima are 6 lire (\$1.16) per annum for those classes whose insurance matures at the regular age (60 years for men and 55 for women), and 9 lire (\$1.74) for those in the special occupations whose insurance expires at the age of 55 years.

It is sufficient, however, if the average amount of contributions for all the elapsed years satisfies this requirement, even if the contributions for the last year do not.

Furthermore, persons insured for a shorter period (as explained later) must add annually at least as many lire as equal the difference between 25 years and the number of years of their insurance period.

ACCOUNTS OF MEMBERS.—The contributions are credited to the individual accounts of the insured. According to the provisions of the new law, which have gone into effect only very recently, these accounts are to be very much simpler than heretofore, when there were six classes of entries for the mutual form and five entries for those insured with repayment of premiums in case of death. Against each payment made is entered the value of the annuity, to begin with the normal annuity age, purchasable for that one payment. The same rule applies to all benefit payments which are granted to these individual accounts.

Of course, the annuity equivalent of each payment can not be computed independently each time. Tables must be provided for such computation, and these tables take into consideration the probability of life at the time of maturity of the pension and the age at the time of payment, as the capital value of the payment at the time of maturity of the pension will depend upon the length of time interest is accruing upon it.

In the case of the mutual form of insurance an additional factor enters into consideration, namely, the death rate of the same class of insured. Different tables are necessary, therefore, for the two forms of insurance.

CHANGE OF FORM OF INSURANCE.—While the form of insurance (whether mutual or with reserved contributions) must be determined at the time of taking out the insurance, conditions may arise which make a change from one form to the other desirable. To provide for such conditions the new regulations permit a change from the mutual to the reserved-payments plan to the insured under 45 years of age within one year after marriage or after the birth of a child, with recomputation of the existing credits to his accounts, so that the amount of payments made by the insured prior to the transfer becomes available to his family in case of death. If, however, the

insured does not comply with these requirements, the change has no retroactive force, and only the payments subsequently made are reserved.

On the other hand, the change from the reserved plan to the mutual plan is permitted unconditionally and the annuity value of the old payments is recomputed.

**ADDITIONAL BENEFITS.**—In order to stimulate the saving habit and also to increase the value of the pension, the old-age insurance institution contributes certain additions to the personal accounts. All persons insured according to the law are entitled to receive certain additions, provided they have complied with the requirements concerning the minimum annual payments, as explained on page 1879, and on the other hand have not accumulated an annuity of over 1,000 lire (\$193) per annum. In addition, the old qualification of the law of 1898 has been preserved, that such insured workmen, for whom some special old-age and invalidity provision has been made either by the State, provincial government, communities, or any other public or private employers, are not entitled to any benefits. The amount of the ordinary benefit payable depends upon the resources available and is determined by the council, but must not exceed 10 lire (\$1.93) per annum for each insured person. In addition special benefits are given to those insured for less than twenty-five years and for those in collective insurance.

From the current revenues at least 30 per cent must be deducted by the administrative council for distribution, according to the judgment of the council, among the endowment fund, the special reserve fund, and the invalidity fund, of which more will be said; the rest is utilized for payment of benefits to the accounts of the insured.

**LIQUIDATION OF ACCOUNTS.**—Each personal account may be liquidated in one of two ways, either by death of the insured or by the maturity of the insurance at the specified age. In case of death before maturity of the insurance, the deposits in case of mutual insurance are not repaid, and in case of insurance with reserved payments they are repaid according to the rules stated on page 1878.

Normally the pension matures at the age of 60 for men and 55 for women, and after at least 25 years have elapsed since the beginning of the insurance. The liquidation may be demanded at the age of 55 years by persons employed in mining, furnaces, glass factories, foundries, in operating steam boilers, in railroad services, and in other industries to be determined by royal decree. By such decree firemen, tax controllers, and watchmen, appointed by communities and provinces, and attendants in hospitals and insane asylums, were included.

This right to receive the annuity at the earlier age of 55 is preserved only by those who at the time are still employed at one of these exceptional trades. Application for the insurance to mature at the age of 55 must be made within one year from the time of insuring,

or from the time of employment at one of these occupations, if the person had been insured before.

The liquidation of the accounts may be effected and the annuity granted at the age indicated, even if less than 25 years but at least 10 years have elapsed from the beginning of the insurance; i. e., insurance may be taken by persons over 35 years of age but not over 50 years. But the insured must comply with the following special requirements. In addition to the usual minimum premium he must pay annually as many lire as years are missing to complete the twenty-five year period; i. e., when the insurance is to run only 10 years, the insured person pays additional 15 lire (\$2.90) per annum; when the insurance is to last 15 years, he pays additional 10 lire (\$1.93) per annum. The general rule that excess payments in one year may serve to cover deficiencies in payment of subsequent years applies also to these additional payments. Persons insured for such shorter periods must receive additional benefits to be determined by the administrative council. The liquidation and granting of the annuity may be deferred upon the request of the insured until the expiration of 65 years.

**PENSION TABLES.**—The amount of pensions granted for the payment of \$1, as approved March 18, 1909, are given in the following table for both plans of insurance, the mutual plan or that of alienated capital, and the reserved-capital plan. In the original tables the value of the annual pension purchased by the payment of a premium of 1 lira is computed for each year of age (from 55 to 70) at which the pension may mature. Only the columns for pensions maturing at 55, 60, 65, and 70 years are here reproduced. The difference in the amount of pensions for the two forms of insurance is found to be considerable, and this difference is seen to increase with the higher age of maturity, as at that age the chance of the maturing of the pension becomes smaller and the chance of death previous to maturity greater. Thus, at the age of 12, the value of the pension purchased for \$1, to mature at the age of 55, would be 51.2 cents on the mutual plan and 44 cents, or 14 per cent less, on the reserved-capital plan, while if the pension is to mature at the age of 70, the value on the mutual plan would be \$2.667 and on the reserved-capital plan \$2.163, or nearly 19 per cent less.

The difference in the amount of pension secured for \$1 under the two forms of insurance rapidly decreases as the age at which the payment is made increases. Thus, for the pensions maturing at the age of 55 years, the difference for payment of \$1 made at the age of 12 is 7.2 cents; at the age of 20, 5.6 cents; at the age of 30, 3.5 cents; at the age of 40, 2 cents; at the age of 50, 0.6 of 1 cent; and at the age of 54, 0.1 of 1 cent. In percentages, however, the difference amounts to about 14 or 15 per cent until the age of 25, and then begins to decrease. In other words, the advantages of the mutual plan are greatest at the earlier ages.

AMOUNT OF ANNUAL PENSIONS SECURED FOR THE PAYMENT OF \$1, BY AGE AT TIME OF PURCHASE, FORM OF INSURANCE, AND AGE AT MATURITY.

[Source: Regolamento Tecnico della Cassa Nazionale di Previdenza.]

Age at time of purchase (years).	Amount of annual pension purchased for \$1 under—							
	Mutual plan: Maturing at age of—				Reserved-capital plan: Maturing at age of—			
	55 years.	60 years.	65 years.	70 years.	55 years.	60 years.	65 years.	70 years.
12.....	\$0.512	\$0.798	\$1.363	\$2.667	\$0.440	\$0.675	\$1.131	\$2.163
13.....	.493	.768	1.313	2.568	.422	.648	1.085	2.073
14.....	.474	.740	1.264	2.473	.406	.622	1.040	1.987
15.....	.457	.712	1.217	2.380	.390	.597	.998	1.903
16.....	.439	.685	1.171	2.291	.374	.573	.956	1.823
17.....	.423	.659	1.126	2.203	.360	.550	.917	1.746
18.....	.406	.634	1.083	2.118	.345	.528	.879	1.671
19.....	.390	.609	1.041	2.035	.332	.506	.842	1.600
20.....	.375	.585	1.000	1.955	.319	.486	.807	1.531
21.....	.360	.561	.960	1.877	.306	.466	.774	1.465
22.....	.346	.539	.921	1.801	.294	.447	.741	1.402
23.....	.332	.517	.884	1.728	.282	.429	.710	1.342
24.....	.318	.496	.848	1.658	.271	.412	.681	1.283
25.....	.305	.476	.813	1.591	.260	.395	.652	1.227
26.....	.293	.456	.780	1.526	.250	.379	.625	1.174
27.....	.281	.438	.748	1.464	.240	.363	.598	1.122
28.....	.269	.420	.718	1.404	.231	.349	.573	1.073
29.....	.258	.403	.689	1.347	.222	.335	.549	1.026
30.....	.248	.387	.661	1.292	.213	.321	.526	.980
31.....	.238	.371	.634	1.240	.204	.308	.503	.937
32.....	.228	.356	.608	1.189	.196	.295	.482	.895
33.....	.219	.341	.583	1.140	.189	.283	.462	.855
34.....	.210	.327	.559	1.094	.181	.272	.442	.817
35.....	.201	.314	.536	1.049	.174	.261	.423	.780
36.....	.193	.301	.514	1.006	.168	.250	.405	.745
37.....	.185	.288	.493	.964	.161	.240	.388	.711
38.....	.177	.276	.472	.924	.155	.231	.371	.678
39.....	.170	.265	.453	.885	.149	.221	.355	.647
40.....	.163	.254	.434	.848	.143	.212	.340	.617
41.....	.156	.243	.415	.812	.138	.204	.325	.589
42.....	.149	.233	.397	.777	.132	.196	.312	.561
43.....	.143	.223	.381	.744	.127	.188	.298	.535
44.....	.137	.213	.364	.712	.123	.180	.285	.510
45.....	.131	.204	.348	.682	.118	.173	.273	.486
46.....	.125	.195	.333	.652	.114	.166	.261	.463
47.....	.120	.187	.319	.624	.109	.160	.250	.441
48.....	.114	.178	.305	.596	.105	.153	.239	.420
49.....	.109	.170	.291	.570	.102	.147	.229	.400
50.....	.104	.163	.278	.544	.098	.142	.219	.381
51.....	.100	.155	.265	.519	.094	.136	.210	.363
52.....	.095	.148	.253	.495	.091	.131	.201	.346
53.....	.090	.141	.241	.471	.088	.126	.193	.329
54.....	.086	.134	.229	.449	.085	.121	.185	.313
55.....		.128	.218	.427		.117	.177	.298
56.....		.121	.208	.406		.113	.170	.284
57.....		.115	.197	.385		.109	.163	.270
58.....		.109	.187	.365		.105	.156	.257
59.....		.103	.177	.345		.101	.150	.245
60.....			.167	.326			.144	.233
61.....			.157	.306			.138	.223
62.....			.147	.287			.133	.212
63.....			.138	.269			.128	.203
64.....			.128	.251			.124	.194
65.....				.233				.186
66.....				.216				.178
67.....				.200				.171
68.....				.184				.164
69.....				.168				.158

COMPUTATION OF PENSIONS.—Normally the computation of pensions is a very simple process according to the new law, being accomplished by a simple addition of the annuity values of all the separate entries in the account of the individual. In exceptional cases a lump-sum payment may be substituted for the annuity according to the provisions to be included in the new regulations. These provisions



are as follows: If the annuity acquired by the insured workman exceeds 365 lire (\$70.45), he may choose one of the three plans—(1) Either receive the entire benefit as an annuity or (2) convert the excess of the annuity over 365 lire (\$70.45) into an immediate lump-sum payment, or (3) leave the capitalized value of this excess with the insurance institution and receive the interest in addition to the annuity during life, the capital to be paid to the heirs at death.

If the annuity acquired amounts to less than 60 lire (\$11.58) the insurance institution may of its own initiative liquidate it by a lump-sum payment of its capitalized value.

**INVALIDITY INSURANCE.**—The liquidation of the account and the computation of the annuity may be accomplished at any age in case of duly established invalidity, provided five years have elapsed since the beginning of the insurance. If the invalidity originated after the insurance was taken out, the value of the annuity must be raised to 120 lire (\$23.16) per annum from the special invalids' fund. The benefits of this provision are not extended, however, to persons over 50 years of age at the time of insurance.

**INVALIDITY FUND.**—To provide for the payment of such invalidity pensions, a special invalidity fund exists, with the following sources of revenue:

(a) A lump sum of 10,000,000 lire (\$1,930,000) to be paid by the State.

(b) Payments from persons or institutions responsible under the law for the support of the invalids.

(c) Annual contributions from the current revenues.

(d) Payments of persons insured with reservation of payments and dying without legal heirs.

(e) Interest on the investments of the fund of legacies and gifts given to this particular fund.

The 10,000,000 lire (\$1,930,000) fund is to be paid from the treasury in five equal annual installments from the budgets of 1906–7 to 1910–11.

**REGULATIONS CONCERNING INVALIDITY PENSIONS.**—By the new regulations the term “invalidity” is defined as a condition which reduces the earnings of the person to less than one-third of the usual earnings of a worker in the same occupation and locality. Evidence of such invalidity must be furnished with the application for an invalidity pension, and such evidence must include certificates from a physician, from the local communal authority, and from the last employer for whom the insured had been working at the time the disability established itself. In addition, the administration of the institution may order a special medical examination. The administration may decline to grant the petition for an invalidity pension. The insured may appeal from the decision of the office to the adminis-



trative council of the insurance institution, but the decision of the council is final.

If the annuity acquired through the minimum payments and the regular benefits is less than 120 lire (\$23.16) it is increased to that amount from the invalidity fund. Any annuity acquired by means of payments over and above the required minimum is added to this 120 lire (\$23.16) annuity.

The following classes of insured persons are deprived of the right to receive the subsidy from the invalidity fund above mentioned: (1) Persons whose invalidity dates back of the time of commencing the insurance, (2) persons who have insured themselves at the age of over 50, (3) persons who have become invalids either through malicious intent, alcoholism, or through criminal misconduct, (4) those who became invalids through an industrial accident and have received, in virtue of the accident insurance law, a compensation corresponding to a loss of at least 50 per cent of working capacity, and (5) persons admitted to an insane asylum at public expense.

**COLLECTIVE INSURANCE.**—In order to encourage workmen's mutual benefit societies to insure their members collectively the institution is permitted to grant special benefits to persons thus insured, though such insurance may also be contracted for in accordance with the ordinary regulations concerning benefits. The special conditions must be stated in the insurance contract.

If in such insurance agreement the society contracts for immediate pensions to such of its members as have reached the minimum age for granting annuities (55 or 50 years according to the sex and occupation), then to each such pension the institution adds an annual bonus of 10 lire (\$1.93), but if the original pension was less than 10 lire (\$1.93) the annual bonus shall not exceed the amount of the pension.

The institution may also contract to assume the management of private and public establishment funds for old age and invalidity relief. The special conditions of each such contract must be determined by the administrative council and approved by the Government in each individual instance.

In view of the evident intent of the law to stimulate the collective insurance of workmen against old age and invalidity through the instrumentality of the mutual benefit societies, the regulations concerning this form of insurance as contained in the *Reglamento Technico* are of great importance.

Such collective insurance is permitted to associations recognized under the law of April 15, 1886, and to other unincorporated associations, provided a majority of their membership conforms to the requirements of the law as to persons entitled to its benefits. Only insurance in which all members of an association are embraced is recog-

nized as collective, though the association may except those of its members who are not workers or who are over 50 years old.

In order to acquire the right to the special benefits offered to collective insurance, the associations must make the insurance compulsory for its members by an amendment to its constitution, and must make annual contributions which, per capita, will not be smaller than the normal minimum contributions required.

When these conditions have been complied with the national old-age insurance institution will contribute a special benefit of 1 lira (19 cents) per annum in addition to the normal benefits to which the insured is entitled. When the association provides for insurance of its older members for a briefer period, these members receive a special benefit of 2 lire (39 cents).

Such members as do not possess the qualifications of workmen or petty independent producers, entitling them to the insurance under the workmen's roster, must be entered on the roster of "popular annuity insurance." If a member is expelled from the mutual benefit association he loses his right to receive the special benefit for collective insurance, beginning with the year of his expulsion.

While ordinarily insurance is not written for a period briefer than 10 years, i. e., is not written for men over 50 years and women over 45 years of age, yet the occasion may arise that an association which has been conducting old-age insurance among its benefit features would desire to take out collective insurance with the national institution, and the presence of members over the maximum age might prove very embarrassing. The regulations provide, therefore, that under such condition, males over 50 years of age and females over 45 may be insured for a period less than 10 years, but so that the annuity does not mature before the age of 55 for the females and the males in the excepted trades and not before the age of 60 for all other male workers.

For those members who have already reached these age limits annuities may be purchased by the association, and in such cases the national institution grants an annual bonus to each annuity, the total annuity to be not less than 60 lire (\$11.58).

If such associations are paying annuities at the time of taking out collective insurance they may transfer such obligations to the national institution, and the capital cost of such annuities is determined on the basis of either the tariff for workmen's insurance or the tariff for popular insurance according to whether the pensioner is a workman or not. All these benefits conferred by the new regulations upon collective insurance are extended to all mutual associations insured at the time these regulations go into effect.

The mutual benefit associations which have insured their membership may be authorized to perform for their members the simple

financial operations of a branch office. Payment for such services must be limited to a per capita fee for all members in good standing for whom the minimum payments were made, and this per capita fee must be uniform for all associations.

The same conditions of collective insurance may be extended by the institution to employees of industrial undertakings or public enterprises.

**OTHER FORMS OF INSURANCE.**—Compensation from private employers or accident insurance companies, due to workmen disabled through industrial accidents or to workmen who became invalids because of old age or disease, may be deposited with this old-age insurance institution for conversion into an annuity.

Other forms of insurance business may be permitted to the old-age insurance institution by royal decree, but the net profits of such transactions must go to increase the normal annual revenues of the business.

Among these regular branches of insurance is the so-called "popular annuity insurance," open to all persons without the limitations established for the main line of insurance carried by the institution. Under this form of insurance none of the special bonuses or benefits previously described are granted. Whenever a person insured under the workmen's insurance plan loses the qualifications entitling him to such insurance (e. g., ceases to be employed and becomes an employer) the special bonuses and benefits to him are discontinued and the entire amount credited to him is transferred to a new account under the "popular insurance" plan. On the other hand, if a person insured under the "popular insurance" plan acquires the qualifications necessary to entitle him to insurance under the "workmen's insurance" plan, his account is so transferred and he acquires the right to the special bonuses and benefits, and the time of his insurance under the other plan is taken into consideration for the purposes of the liquidation of the annuity.

**FINANCIAL ORGANIZATION.**—The following special funds are provided in the financial organization in order to preserve the financial soundness of the institution: (a) The endowment fund as described above; (b) the fund of the insured, consisting of the payments made by the insured persons or for them and benefits paid to their accounts; (c) the annuity fund, from which mature annuity accounts are paid. At the time of granting each annuity a corresponding amount is to be transferred from the fund of the insured to the annuity fund. At least each five years a technical balance of these two funds must be struck.

(d) For the guarantee of these two funds a special reserve fund is created. Into this fund go any possible excesses found at the time of striking the balances of the two preceding funds, annual contribu-

tions from the current revenues, and other sums indicated in the regulations. The purpose of this reserve is to cover all possible deficits in the fund of the insured and in the annuity fund.

(e) Finally the invalids' fund, the constitution of which has been explained in conjunction with invalidity insurance.

The payment of annual contributions from the regular revenues of the institution into the special reserve must be discontinued when the reserve amounts to one-tenth of the sum of the amounts credited to the fund of the insured and the annuity fund.

If the amount of the special reserve is not sufficient to meet the deficits arising in these two funds, these deficits must be covered by heavier contributions from the annual revenues either within one or several years, in accordance with the judgment of the administrative council.

The funds of the institution are to be invested in Italian national-debt bonds; other government or guaranteed securities; railroad bonds guaranteed by government subsidies; trusts of institutions for land credit; bonds of provincial and communal governments and of undertakings for irrigation and improvement works; in urban real estate; interest-bearing deposits; or loans for construction of workmen's dwellings or mortgage bonds of undertakings for this purpose. The investments in real estate must not exceed one-fifth of all investments.

**MINOR BENEFITS.**—The cooperation of the postal-savings banks is given to the old-age insurance institution without compensation. This includes the operations for admission to membership, the receipt of contributions, and payment of annuities and other moneys.

Free postage privileges are extended to the institution in its correspondence with public institutions, its branches, propaganda committees, benefit associations, and the insured persons.

**TAX EXEMPTIONS.**—The National Old-Age and Invalidity Insurance Institution is granted the same freedom from taxes as the postal and other savings banks, such as special insurance taxes, registry fees, stamp dues, and taxes on legacies bequeathed to the institution.

The annual income from investments other than state or guaranteed securities are free from the income tax.

All the annuities granted under the "workmen's insurance" plan and under the "popular insurance" plan, when not in excess of 1,500 lire (\$289.50), are exempt from the income tax. The payments returned to the heirs of a deceased member are exempt from inheritance taxes.

**CESSION, SEIZURE, ETC.**—The annuities granted by this institution are not subject to cession or seizure, except the excess over 400 lire (\$77.20) per annum. To prevent such cession, payments may be made to representatives of the member only in case of sickness cer-

tified to by a physician or in case of any other obstacle certified to by the local authorities.

**ADMINISTRATION.**—The National Old-Age and Invalidity Insurance Institution is autonomous in the sense of having an administrative machinery entirely separated from the General Government, and no obligations, except such as are definitely specified, are assumed by the Government. While the details of the administration are determined by the constitution, the law establishes the following demands: The main administrative body is a council appointed by royal decree, the number of members of the council being determined by the constitution. According to the law, one-third of the membership must consist of representatives of workmen insured; there must also be representatives of savings banks and other corporations which assist the institution and of cooperative associations whose membership is insured. In addition the council includes one representative from each of the following ministries: Agriculture, finance, posts and telegraphs; and finally, the director general of the Bank of Deposits and Loans and the director of the Bureau of Labor of the Ministry of Agriculture, Industry, and Commerce, are *ex officio* members of the council.

This council prepares the constitution of the institution, prescribes conditions for the establishment and administration of branch offices, and also the technical regulations and the tariffs for the computation of annuities; but the constitution, regulations, and tariffs must be presented for consideration to the insurance council and the council of state, to the ministers of agriculture, of finance, and of posts and telegraphs, and must be approved by royal decree. The same conditions regulate the amendments of these acts.

The institution is under the supervision of the Ministry of Agriculture, Industry, and Commerce, to which all financial reports and balance sheets must be forwarded. The technical balances, which must be prepared every 5 years beginning with January 1, 1908, must also be presented to the Ministry of Finance.

The details of administration are further regulated by the constitution, which was published by royal decree of May 24, 1902, and amended on September 2, 1904, to conform to the changes introduced by the law of March 13, 1904. The text of the new constitution, proposed by the council on December 21, 1907, was adopted without any material changes on March 18, 1909.

According to the constitution, the administrative council governing the institution consists of 23 members—18 appointed by the Crown, 3 ministerial representatives, and 2 *ex officio* members. Among the 18 members appointed by the Crown there must be 6 representatives of the insured workmen, 2 from savings banks, and 2 from benefit or cooperative societies insuring their membership. The period of serv-

ice is 3 years, with right of reelection, one-third of the membership being elected each year. The council elects its own officers and convenes at least once in 3 months. As is customary, the council directs the general policies, issues regulations, approves tariffs, appoints the clerical force, etc., while the executive work is performed under the direction of an executive committee elected by the council and consisting of the president, vice-president, and five members of the council.

Service on the council is gratuitous except that traveling expenses and a fee of 20 lire (\$3.86) per day is paid to members residing outside of Rome, and a fee of 10 lire (\$1.93) for each session is given to the labor representatives living in Rome.

The director general is the executive officer of the institution and is appointed by the council.

**BRANCH OFFICES.**—The duties of branch offices may be intrusted to savings banks, popular banks, various industrial associations, mutual benefit societies, insurance companies, and similar institutions, and in absence of such, special branch offices may be established and put in charge of local committees. Besides performing the necessary financial operations these local branch offices must endeavor to keep the population informed of the activity of the insurance institution and the advantages offered by it. In addition the constitution contains regulations concerning the investment of the funds and the preparation of annual and quinquennial balances.

**PROCEDURE.**—The procedure of old-age and invalidity insurance is regulated mainly by the new technical regulations.

Applications for insurance may be made either by the applicant himself or by another person either at the central office in Rome or at the branch offices or agencies of the institution or in post-offices, from which they are forwarded to the main offices. The administration may decline to insure an applicant, but he has a right to appeal to the administrative council, whose decision is final.

For each insured person an individual account is opened in the books of the institution and a deposit book is made out and forwarded to him through the local agency. This book must be presented with each payment.

Payments may be made at any agency of the institution, as enumerated above, but once a year the book must be forwarded by the insured through the agency, for balancing, for making the entries in the account and for adjusting the benefits.

Italian workmen living in foreign countries may avail themselves of the benefits of this act, and consuls may be designated as agents by the Ministry of Foreign Affairs, or the insurance institution may appoint agents in foreign countries.



When an insured person ceases to conform to the qualifications for workmen's insurance required by the law, he must so inform the institution. If he fails to do so and information to that effect reaches the administration, it must notify him in writing that the appropriate measures will be applied to him. The insured may appeal to the council against the decision within one month, but the decision of the council is final. When the question is settled against the insured the transfer of his account to the "popular insurance" roll is effected. When he again qualifies for the workmen's insurance rolls he must furnish the same evidence as for an original insurance. When an annuity is granted the deposit book is exchanged for an annuity certificate. Annuities are payable in quarterly amounts, on March 1, June 1, September 1, and December 1, on presentation of this certificate by any office or agency of the institution. Annuity payments not demanded within a whole year are suspended and application for their recovery must be made to the central office. Payments due but not collected may be recovered by the heirs within two years.

#### PROBABLE AMOUNTS OF PENSIONS.

The new method of computing the pension values of payments has gone into effect so very recently that it is impossible to give any accurate estimate as to the values of pensions which the insured may expect under normal conditions. But as the actual values of pensions purchased could not change very materially notwithstanding the radical change in the method of computations, estimates based upon the old laws of 1898 and 1901 will be indicative if not altogether accurate. The actual pensions can not, of course, be guaranteed in advance; they must depend upon the rate of interest, the amount of the institution's subsidies and the invalidity table.

In the following tables the assumptions are: An annual rate of interest of 3.75 per cent, an annual additional benefit of 6 lire (\$1.16) from the institution to each individual account, and the accepted Italian mortality table. The following table shows the expected value of the annual pension maturing at 60 or 65, when payments of contributions begin at 20, 25, 30, 35, and 40, and when the annual contributions amount to 6, 12, 18, 24, and 36 lire (\$1.16, \$2.32, \$3.47, \$4.63, and \$6.95). The values of pensions differ materially under the two plans of insurance, the mutual (alienated capital) plan and the reserved-capital plan.

If old-age insurance is taken out at the age of 20 or 25, the pensions may reach substantial amounts, but for persons contracting for such insurance at more advanced ages, and especially if the minimum contribution of 6 lire (\$1.16) per annum is paid, the pensions are very small. It must be remembered, however, that a substantial increase

of the value of the pensions is possible by delaying the time of the maturing of the pension from the age of 60 to the age of 65, or according to the new table of pension values (on p. 1893) to the age of 70.

**EXPECTED VALUE OF ANNUITIES, BY FORM OF INSURANCE, AGE AT TIME OF INSURING, AND AMOUNT OF CONTRIBUTION.**

[Source: Luigi Rava, La Cassa Nazionale di Previdenza per la Invalidità e per la Vecchiaia degli Operai.]

Form of insurance and age at time of insuring.	Expected value of annuity for annual premium of—				
	\$1.16 (6 lire).	\$2.32 (12 lire).	\$3.47 (18 lire).	\$4.63 (24 lire).	\$6.95 (36 lire).
<b>ALIENATED CAPITAL.</b>					
Pension maturing at age of 60, insured at age of—					
20 years.....	\$29.72	\$45.74	\$61.76	\$77.78	\$109.82
25 years.....	22.58	34.55	46.51	58.48	82.41
30 years.....	16.60	25.48	34.35	43.23	60.99
35 years.....	11.19	17.56	23.93	30.80	43.04
Pension maturing at age of 65, insured at age of—					
20 years.....	53.27	82.60	111.94	141.28	199.95
25 years.....	40.72	62.92	85.11	107.31	151.70
30 years.....	30.69	47.29	63.88	80.48	113.68
35 years.....	22.58	34.55	46.71	58.67	82.80
40 years.....	16.21	24.70	33.39	41.88	59.06
<b>RESERVED CAPITAL.</b>					
Pension maturing at age of 60, insured at age of—					
20 years.....	24.70	35.51	46.51	57.32	79.13
25 years.....	19.11	27.60	36.09	44.58	61.57
30 years.....	14.28	20.84	27.41	33.97	47.09
35 years.....	9.84	14.67	19.69	24.51	34.35
Pension maturing at age of 65, insured at age of—					
20 years.....	40.92	57.90	74.50	91.48	125.06
25 years.....	31.85	45.36	58.67	72.18	99.01
30 years.....	24.51	34.93	45.36	55.78	76.62
35 years.....	18.34	26.44	34.55	42.65	58.87
40 years.....	13.51	19.49	25.48	31.46	43.43

An estimate of the amounts of monthly contributions necessary to acquire a pension of 180 lire and 360 lire (\$34.74 and \$69.48) to mature either at 60 or 65 years of age, both for the alienated and reserved capital plans, is given in the following table. For a person starting at the age of 25 years, for instance, a pension of 360 lire (\$69.48) at the age of 65 years may be acquired by a monthly payment of 1.90 lire (37 cents) per month on the reserved-capital plan and of 1.15 lire (22 cents) per month on the mutual plan. Unfortunately, it is impossible to ascertain, because of the absence of detailed reports of the old-age insurance institutions, what the average contribution of the persons insured amounts to.

ESTIMATED AMOUNT OF MONTHLY CONTRIBUTION NECESSARY TO INSURE A PENSION OF 180 LIRE (\$34.74) AND 360 LIRE (\$69.48), BY FORM OF INSURANCE AND AGE AT TIME OF INSURING.

[Source: Luigi Rava, La Cassa Nazionale di Previdenza per la Invalidità e per la Vecchiaia degli Operai.]

Age at time of insuring.	Estimated amount of monthly contribution necessary to insure a pension of—							
	\$34.74 (180 lire).				\$69.48 (360 lire).			
	Mutual plan: Maturing at age of—		Reserved capital plan: Maturing at age of—		Mutual plan: Maturing at age of—		Reserved capital plan: Maturing at age of—	
	60 years.	65 years.	60 years.	65 years.	60 years.	65 years.	60 years.	65 years.
20 years.....	\$0.125	\$0.097	\$0.183	\$0.097	\$0.338	\$0.154	\$0.492	\$0.261
25 years.....	.193	.097	.270	.116	.473	.222	.666	.367
30 years.....	.290	.116	.396	.193	.666	.318	.907	.511
35 years.....	.454	.193	.598	.290	.984	.473	1.293	.704
40 years.....	.....	.309	.....	.434	.....	.704	.....	.994

ORDINARY PENSION INSURANCE.

A tariff of rates for ordinary voluntary old-age pension insurance, authorized by the law of July 28, 1901, and by the decree of December 22, 1901, was published June 26, 1904. This form of insurance does not confer any specific gratuities upon the assured, but gives the advantage of insurance in an institution not conducted for profit, which may manifest itself in lower rates. Both forms of insurance are permitted—the alienated-capital plan and the reserved-capital plan. In the former plan the premiums are forfeited at death, in the latter plan they are returned. A few rates for each plan are quoted in the following table, where the amount of pension maturing at a definite age and purchasable by a single payment of \$100 is given. While the alienated plan naturally permits a higher pension than the reserved-capital plan, it is nevertheless evident that for longer periods the difference becomes very much less important. It is evident that, while attractive in form, these ordinary old-age pensions are of comparatively little importance to the wage-workers, with the standard of earnings prevailing in Italy. Thus it is true that by making a single deposit of \$100 to the credit of his child at the age of 5, the workman could guarantee to that child an annual pension of \$168.90 beginning at the age of 65, but there are very few workers in Italy with an income large enough to make such provision for the old age of their children. At the age of 25 a workman could begin to provide for his own old age; then each dollar paid in would guarantee a pension of 46 cents beginning with the age of 60, the value of the pension purchasable with each payment decreasing with advancing age. No statistics of this branch of activity of the institution were available.

AMOUNT OF ANNUAL PENSION SECURED FOR A PAYMENT OF \$100 ON THE ORDINARY PLAN, BY AGE AT TIME OF PURCHASE AND AGE AT MATURITY OF PENSION.

[Source: Cassa Nazionale di Previdenza per la Invalidità e per la Vecchiaia degli Operai. Assicurazioni Popolari di Rendite Vitalizie Condizioni Generali e Tariffe.]

Form of insurance and age at time of purchase.	Amount of annual pension secured for \$100 when maturing at age of—										
	20 years.	25 years.	30 years.	35 years.	40 years.	45 years.	50 years.	55 years.	60 years.	65 years.	70 years.
ALIENATED CAPITAL.											
5 years.....	\$8.57	\$10.91	\$14.02	\$18.27	\$24.24	\$32.83	\$45.81	\$66.56	\$102.09	\$168.90	\$311.70
10 years.....	7.02	8.95	11.51	14.99	19.88	26.94	37.60	54.63	83.79	138.63	255.84
15 years.....	5.80	7.39	9.50	12.38	16.41	22.24	31.05	45.10	68.17	114.46	211.22
20 years.....		6.04	7.77	10.12	13.42	18.18	25.08	36.87	56.54	93.55	172.65
25 years.....			6.31	8.22	10.91	14.78	20.62	29.96	45.95	76.02	140.30
30 years.....				6.68	8.86	12.01	16.76	24.35	37.36	61.80	114.06
35 years.....					7.20	9.75	13.61	19.78	30.34	50.19	92.63
40 years.....						7.89	11.02	16.01	24.55	40.63	74.97
45 years.....							8.85	12.86	19.73	32.64	60.23
50 years.....								10.23	15.60	25.95	47.89
55 years.....									12.23	20.24	37.34
60 years.....										15.32	28.28
65 years.....											20.49
69 years.....											15.04
RESERVED CAPITAL.											
5 years.....	6.76	8.62	11.08	14.42	19.13	25.92	36.18	52.57	80.61	133.39	246.15
10 years.....	5.42	6.91	8.89	11.58	15.36	20.81	29.05	42.20	64.72	107.08	197.61
15 years.....	4.33	5.51	7.08	9.23	12.25	16.60	23.16	33.65	51.61	85.39	157.59
20 years.....		4.36	5.61	7.30	9.69	13.13	18.33	26.63	40.85	67.58	124.70
25 years.....			4.40	5.73	7.62	10.32	14.39	20.91	32.07	53.07	97.93
30 years.....				4.46	5.93	8.02	11.20	16.27	24.94	41.28	76.17
35 years.....					4.45	6.16	8.60	12.49	19.16	31.70	58.49
40 years.....						4.65	6.49	9.43	14.46	23.92	44.16
45 years.....							4.79	6.96	10.67	17.66	32.59
50 years.....								4.99	7.65	12.65	23.35
55 years.....									5.26	8.71	16.07
60 years.....										5.68	10.47
65 years.....											6.33
69 years.....											3.92

A comparison of this tariff with the preceding estimates makes possible an approximate determination of the value of the subsidies. In the following table an effort is made to compute this value by comparing the value of the pension on the subsidized plan and on the ordinary plan, under the supposition of an annual premium of 12 lire (\$2.32).

## COMPARISON OF EXPECTED VALUES OF ANNUITIES UNDER THE DIFFERENT FORMS OF INSURANCE, BY AGE AT TIME OF INSURING.

Form of insurance and age at time of insuring.	Expected value of annuity for annual premium of \$2.32 (12 lire).		
	Workmen's form.	Ordinary form.	Excess of workmen's annuity.
<b>ALIENATED CAPITAL.</b>			
Pension maturing at age of 60, insured at age of—			
20 years.....	\$45.74	\$28.16	\$17.58
25 years.....	34.55	22.11	12.44
30 years.....	25.48	17.20	8.28
35 years.....	17.56	13.20	4.36
Pension maturing at age of 65, insured at age of—			
20 years.....	82.60	44.33	38.27
25 years.....	62.92	34.32	28.60
30 years.....	47.29	26.19	21.10
35 years.....	34.55	19.58	14.97
40 years.....	24.70	14.22	9.48
<b>RESERVED CAPITAL.</b>			
Pension maturing at age of 60, insured at age of—			
20 years.....	35.51	16.18	19.33
25 years.....	27.60	11.86	15.74
30 years.....	20.84	8.49	12.35
35 years.....	14.67	5.87	8.80
Pension maturing at age of 65, insured at age of—			
20 years.....	57.90	27.36	30.54
25 years.....	45.36	20.22	25.14
30 years.....	34.93	14.64	19.29
35 years.....	26.44	10.31	15.13
40 years.....	19.49	6.96	12.53

The comparison shows that a very considerable proportion of the workmen's pension consists of the subsidies. This excess of the workmen's pension over an ordinary pension purchased at the same cost is higher for the reserved-capital plan than for the alienated-capital plan. The reason for this is obvious, for in the workmen's pension on a reserved plan only his own payments are reserved, while the subsidies are given on an alienated plan. The difference between the values of pensions on the reserved and the alienated plans is not so great for the workmen's pension as for the ordinary pension, for the workmen's reserved-plan pension is only partly on a reserved plan. On an alienated plan, therefore, from one-third to almost one-half of the pension is due to the subsidies, and on the reserved plan from one half to two-thirds.

## STATISTICS.

The statistical information concerning the old-age and invalidity insurance institution is very meager. In the following table is given the number of persons taking out insurance from the beginning of the activity of the institution in October, 1899, until the close of 1908.

The number of persons taking out insurance shows considerable fluctuations, but the largest numbers are found in the years 1902 and 1906, due to the influence of the amendments to the organic law.

The total number of accounts opened during the years shown in the table equals nearly 300,000; according to the latest information available the total number of accounts opened up to November 30, 1910, reached 352,376; but, unfortunately, further details as to the distribution of these by sex, age, occupation, etc., are lacking.

For the years 1904 to 1908 the data are shown by the place where insurance was taken out—i. e., either the main and branch offices of the institution or the post-offices; and the table shows the very important function of the post-office as a stimulus to popular thrift. In some years more than one-half of the insurance was taken out at post-offices.

A comparison of the two plans of insurance indicates that they are about equally popular, both meeting existing demands. During the five years for which data are available, 1904 to 1908, the total number of policies issued on the mutual plan (alienated capital) was 84,903 and that of policies on the reserved capital plan 84,849—almost exactly equal.

NUMBER OF PERSONS INSURED EACH YEAR IN THE NATIONAL OLD-AGE AND INVALIDITY INSURANCE INSTITUTION, BY PLACE OF INSURANCE AND PLAN OF INSURANCE, 1899 TO 1908.

[Source: Bollettino dell' Ufficio del Lavoro, 1904 to 1909, and Die Arbeiter-Versicherung im Auslande, Dr. Zacher.]

Year.	Number insured at—		Number insured under—		Total insured during year.
	Post-offices.	Main office and branches.	Mutual plan.	Reserved-capital plan.	
1899 (a).....	(b)	(b)	(b)	(b)	776
1900.....	(b)	(b)	(b)	(b)	10,279
1901.....	(b)	(b)	(b)	(b)	20,324
1902.....	(b)	(b)	(b)	(b)	54,470
1903.....	(b)	(b)	(b)	(b)	28,779
1904.....	13,687	17,739	15,840	15,586	31,426
1905.....	12,378	11,302	10,889	12,791	23,680
1906.....	25,590	25,201	27,875	22,916	50,791
1907.....	14,162	20,998	16,630	18,530	35,160
1908.....	11,302	17,393	13,669	15,026	28,695

a For last 3 months only.

b Not separately reported.

Very interesting data concerning the size of the contributions of the membership were published by the old-age insurance institution in 1905, though unfortunately they refer only to the years 1900 to 1903, and no later comparable data were published; they nevertheless throw some light upon the activity of the fund.



## ANNUAL CONTRIBUTIONS OF PERSONS INSURED IN THE NATIONAL OLD-AGE AND INVALIDITY INSURANCE INSTITUTION, 1900 TO 1903.

[Source: Bollettino di Notizie sul Credito e sulla Previdenza, 1905.]

Amount of contributions during year.	1900.		1901.		1902.		1903.	
	Num-ber con-tributing.	Per cent of total.	Num-ber con-tributing.	Per cent of total.	Num-ber con-tributing.	Per cent of total.	Num-ber con-tributing.	Per cent of total.
<b>Total membership:</b>								
No contribution.....	238	2.08	2,734	6.43	10,929	11.94	35,959	28.47
Less than 6 lire (\$1.16).....	2,807	24.49	4,612	10.85	24,907	27.20	9,684	7.67
6 lire (\$1.16).....	4,890	42.66	19,185	45.14	27,640	30.18	39,650	31.40
6.01 to 10 lire (\$1.16 to \$1.93).....	615	5.36	2,450	5.77	3,255	3.55	4,540	3.59
10.01 to 25 lire (\$1.93 to \$4.83).....	1,441	12.57	5,397	12.70	14,456	15.79	18,094	14.33
25.01 to 50 lire (\$4.83 to \$9.65).....	881	7.69	3,190	7.51	4,261	4.65	7,150	5.66
50.01 to 100 lire (\$9.65 to \$19.30).....	364	3.17	2,713	6.38	3,545	3.87	6,097	4.83
100 lire (\$19.30) and over.....	227	1.98	2,216	5.22	2,581	2.82	5,121	4.05
<b>Total.....</b>	<b>11,463</b>	<b>100.00</b>	<b>42,497</b>	<b>100.00</b>	<b>91,574</b>	<b>100.00</b>	<b>126,295</b>	<b>100.00</b>
<b>Membership on mutual plan:</b>								
No contribution.....	155	2.87	1,286	6.49	4,963	11.00	19,547	30.58
Less than 6 lire (\$1.16).....	1,679	31.12	2,731	13.79	14,480	32.10	5,133	8.03
6 lire (\$1.16).....	1,566	29.39	7,380	37.26	12,325	27.33	17,199	26.91
6.01 to 10 lire (\$1.16 to \$1.93).....	351	6.50	1,250	6.31	1,391	3.08	2,017	3.16
10.01 to 25 lire (\$1.93 to \$4.83).....	861	15.96	2,879	14.53	6,886	15.27	9,392	14.69
25.01 to 50 lire (\$4.83 to \$9.65).....	598	11.08	1,782	9.00	2,280	5.06	4,096	6.41
50.01 to 100 lire (\$9.65 to \$19.30).....	119	2.21	1,280	6.46	1,055	2.34	2,982	4.66
100 lire (\$19.30) and over.....	47	.87	1,220	6.16	1,724	3.82	3,551	5.56
<b>Total.....</b>	<b>5,396</b>	<b>100.00</b>	<b>19,808</b>	<b>100.00</b>	<b>45,104</b>	<b>100.00</b>	<b>63,917</b>	<b>100.00</b>
<b>Membership on reserved-capital plan:</b>								
No contribution.....	83	1.37	1,443	6.38	5,986	12.84	16,412	26.31
Less than 6 lire (\$1.16).....	1,128	18.59	1,891	8.29	10,427	22.44	4,551	7.30
6 lire (\$1.16).....	3,304	54.46	11,805	52.03	15,315	32.96	22,451	35.99
6.01 to 10 lire (\$1.16 to \$1.93).....	264	4.35	1,200	5.29	1,864	4.01	2,523	4.04
10.01 to 25 lire (\$1.93 to \$4.83).....	580	9.56	2,518	11.10	7,570	16.29	8,702	13.95
25.01 to 50 lire (\$4.83 to \$9.65).....	283	4.66	1,408	6.20	1,981	4.26	3,054	4.90
50.01 to 100 lire (\$9.65 to \$19.30).....	245	4.04	1,433	6.32	2,490	5.36	3,115	4.99
100 lire (\$19.30) and over.....	180	2.97	996	4.39	857	1.84	1,570	2.52
<b>Total.....</b>	<b>6,067</b>	<b>100.00</b>	<b>22,669</b>	<b>100.00</b>	<b>46,470</b>	<b>100.00</b>	<b>62,378</b>	<b>100.00</b>

The table shows a very rapid increase of the number of persons who made no contributions during the year. In 1900 they amounted to only 2.1 per cent, in 1901 to 6.4 per cent, in 1902 to 11.9 per cent, and in 1903 to 28.5 per cent. Thus in 1903 nearly three-tenths of the members were not paying their contributions. The total number of persons insured as stated in the preceding table must be considered in the light of these data.

It is true that a number of persons failing to contribute anything during one year may do so during the next year. Of the persons making some contribution during the year 1903 nearly half contributed 6 lire (\$1.16), which entitles them to the subsidy. The number of persons contributing that amount in 1900 was 42.7 per cent of the total; and in 1903, 31.4 per cent of the total number, or about 44 per cent of those who contributed anything during that year.

The very large number of persons contributing less than 6 lire (\$1.16) in 1902, and nothing in 1903, is explained in the official report as a result of the fact that in consequence of a very active propaganda a large number of workmen insured themselves in the institution, who soon found it difficult to keep up the contributions and gradually dropped out.

Of the finances of the old-age and invalidity insurance institution unfortunately very little information is available. The assets and liabilities of the institution for 1899 to 1909 are shown in the tables following.

The deposits and other revenues of the institution are distributed among numerous funds, as is prescribed by the laws and regulations governing it. These funds are shown in detail in the next table.

(1) The endowment fund, representing a source of financial strength and future revenues for the institution, grows very rapidly, both by special revenues and by assignments from the ordinary revenues, as prescribed in the law. But with the increase of deposits the proportion of the endowment funds to the total is gradually declining.

(2) The invalidity fund, representing the amounts to be used in subsequent grants of invalidity pensions and

(3) The special reserve fund for protection of the two funds above mentioned have been described above.

(4) The mutual benefit societies' fund represents amounts specially designated for bonuses to be added to pensions of persons insured under the collective insurance contract.

(5) Similarly, the special fund for "brief period" insurance is intended to provide means for payment of bonuses to pensions of members of mutual benefit societies who have been insured less than 10 years when reaching the pension age.

(6) Special grants in favor of certain groups of depositors, when so designated, must be kept in a special account according to the regulations.

(7) The pension fund represents the actuarial value of current pensions which have matured or have been purchased outright (as in the case of compensation for permanent injuries).

(8) The indemnity deposit fund represents the deposits of compensation made in case of injuries likely to remain permanent; these deposits are held in trust by the National Old-Age and Invalidity Insurance Institution for two years, according to the accident insurance law, until the final adjudication of the claim.

(9) The depositors' fund is the most important of all. It contains the actual payments made either by insured persons or for them, and the benefits annually contributed by the institution out of its revenues.

(10) Popular old-age insurance which is done by the institution (since 1905 on an independent rate and without participation in any of the benefits granted to workmen) is kept in a separate account. While the operations under this plan are as yet very small, they show a perceptible growth and indicate the advantages of the low rates offered by the institution.

(11) The provident fund for the employees of the central office represents the results of accumulations of small gratuities given annually by the administration in favor of these employees.

(12) The last fund represents the difference between the general or ordinary revenues of the institution and its expenses. The ordinary revenues do not include those revenues which in virtue of the law

must be turned into the endowment fund, nor the deposits made by or for the insured directly.

All expenditures, exclusive of pension payments, are met out of these revenues, and the surplus is redistributed among the other funds. In this table the amount in this fund on December 31 of each year is shown, the distributing usually taking place at the end of March. Unfortunately, data concerning the annual receipts and expenditures and the distribution of this surplus are not available later than 1902. As appears from the report for that year, the 2,698,997 lire (\$520,906.42) available for distribution at the end of that year were assigned as follows: 304,485 lire (\$58,765.61), or 11.3 per cent, to the endowment fund; 392,285 lire (\$75,711), or 14.5 per cent, to the invalidity fund; 98,071 lire (\$18,927.70), or 3.6 per cent, to the special reserve fund; 458,000 lire (\$88,394), or 17 per cent, to the fund of brief period insurance; 55,800 lire (\$10,769.40), or 2.1 per cent, to the special mutual benefit societies' fund; 900,000 lire (\$173,700), or 33.3 per cent, for distribution of the regular subsidies of 10 lire (\$1.93), among the individual accounts; and the remainder, 490,356 lire (\$94,638.71), or 18.2 per cent, was carried over into the next year's accounts.

AMOUNTS IN THE VARIOUS FUNDS OF THE OLD-AGE AND INVALIDITY INSURANCE INSTITUTION, 1899 TO 1908.

[Source: Bollettino dell' Ufficio del Lavoro Vol. XIII, May, 1910.]

Year.	Endow- ment fund.	Invalidity fund.	Special reserve.	Fund of col- lective insur- ance by mutual benefit societies.	Special fund for in- surance for short periods.	Special funds created by contri- butions in favor of de- positors.	Fund of pensions granted.	Deposits under the acci- dent in- surance law made in case of perma- nent dis- ability.
1899.....	\$2 67	\$21,836	\$5,450	.....	\$94,392	\$9,650	.....	.....
1900.....	2 68	21,836	5,450	.....	94,392	13,607	.....	.....
1901.....	2 65	70,909	17,727	.....	120,050	14,221	\$2,360	.....
1902.....	2 34	113,668	28,412	\$20,111	201,106	15,247	16,341	.....
1903.....	2 65	196,878	49,214	22,103	300,964	15,474	48,978	.....
1904.....	3 31	360,779	74,647	40,128	217,977	16,744	59,343	\$32,186
1905.....	3 73	462,261	99,758	81,752	261,097	15,673	69,196	157,573
1906.....	3 62	636,552	136,441	145,014	409,772	16,275	104,143	212,190
1907.....	3 62	916,860	200,411	400,746	516,444	16,254	186,173	260,837
1908.....	4 68	1,102,063	261,536	600,597	683,337	21,479	268,105	236,904

Year.	Fund of the insured.	Amount to be redi- stributed among individual depositors' accounts.	Popular old-age pension insurance.	Provident fund for the employees of the central office of the in- stitution.	Miscella- neous.	Funds to be dis- tributed, December 31.	Total.
1899.....	\$748	\$386	.....	.....	\$528	\$27,296	\$2,379,462
1900.....	31,744	386	.....	.....	200	359,226	2,767,654
1901.....	256,491	.....	.....	1,941	465	462,487	3,383,516
1902.....	679,015	16,405	.....	3,176	456	520,906	4,254,577
1903.....	1,151,385	34,740	.....	4,773	2,312	696,139	5,445,645
1904.....	1,913,535	78,125	.....	6,383	14,065	677,420	6,579,193
1905.....	2,662,872	82,025	\$27,706	8,201	53,741	1,030,473	8,295,200
1906.....	3,478,514	136,254	\$2,047	10,919	33,858	1,161,414	10,006,954
1907.....	4,002,543	778,003	\$8,060	13,888	56,259	1,228,582	12,602,002
1908.....	5,025,358	897,450	159,146	16,289	122,861	1,490,347	15,751,589

As is required by the law and regulations, the largest part of the assets is invested in interest-bearing securities held by the Bank of Deposits and Loans. In 1908 nearly 80 per cent of the total assets were so invested. The amounts invested as loans to Provinces and communes since 1903, in virtue of the act of 1902, are insignificant; though the revised act permitted investment in real estate, this form of investment has not shown any increase.

## ASSETS OF THE NATIONAL OLD-AGE INSURANCE INSTITUTION.

[Source: Bollettino dell' Ufficio del Lavoro, Vol. XIII, May, 1910.]

Year..	Securities held by the Bank of Deposits and Loans.	Interest due on securities held.	Loans to Provinces, communities, etc.	Urban real estate.	Account with the Bank of Deposits and Loans.	Cash on hand in central office, branches, and post-office.	Miscellaneous bills receivable.	Total.
1899.....	\$2,345,235	\$26,621	.....	.....	\$6,447	\$968	\$193	\$2,379,462
1900.....	2,714,542	33,746	.....	.....	6,975	12,185	206	2,767,654
1901.....	3,152,737	42,044	.....	.....	47,756	110,263	30,715	3,383,516
1902.....	3,759,876	68,116	.....	.....	329,867	96,716	2	4,254,577
1903.....	4,530,435	85,632	\$403,605	.....	240,429	169,791	18,753	5,448,645
1904.....	4,763,537	88,768	631,455	\$774,729	186,768	124,618	9,318	6,579,193
1905.....	6,179,801	116,265	746,633	901,587	128,941	216,790	5,183	8,295,200
1906.....	7,793,755	156,029	660,694	901,645	331,862	157,023	5,946	10,006,954
1907.....	10,575,995	178,456	537,655	901,992	398,407	959	8,538	12,602,002
1908.....	12,444,446	207,956	463,094	903,150	1,432,908	271,412	28,593	15,051,559

## COMPULSORY OLD-AGE INSURANCE FOR CERTAIN STATE EMPLOYEES.

The Italian Government has at various times granted old-age and superannuation pensions to various groups of its employees. It is impossible here to enter into a discussion of these civil-service pension laws. But the general tendency to incorporate these pension schemes into the National Old-Age and Invalidity Insurance Institution deserves to be emphasized, at least as far as the industrial employees of the Government are concerned.

Perhaps the best example of this tendency is found in connection with the employees of the government tobacco monopoly.

## TOBACCO MONOPOLY.

On November 23, 1886, a bill for the establishment of a pension fund for the employees in the tobacco industry was introduced, but it did not come up for discussion. A similar fate befell the later effort of November 19, 1887. While both these efforts failed, the administration was forced to begin the payment of regular benefits to disabled and superannuated employees. In the beginning such informal benefits were paid only to employees working for time wages, but since 1892 these benefits were extended to workers for piece wages. From 1892 to 1899 the minimum annual pension for a workman was 120 lire (\$23.16), in 1899 it was increased to 180 lire (\$34.74), in 1901 to 216 lire (\$41.69), and in 1902 to 240 lire (\$46.32).

The maximum in 1897 was placed at 240 lire (\$46.32), in 1899 increased to 360 lire (\$69.48), and in 1902 it was abolished. According to the rules adopted in 1892, inability to work did not give the right to a pension unless the applicant had reached the age of 60; in 1894 the conditions were modified so that 35 years of service were sufficient, without regard to the age at the time of applying for a pension; and in 1899 the limit was reduced to 25 years of service.

The following table gives an indication of the rapid development of these benefits during the period 1894 to 1903, the average number of employees being about 15,000:

NUMBER OF BENEFICIARIES AND AMOUNT OF BENEFITS PAID TO EMPLOYEES OF THE TOBACCO MONOPOLY, 1894 TO 1903, BY YEARS.

[Source: Bollettino di Notizia sul Credito e sulla Previdenza, 1904.]

Fiscal year.	Number of beneficiaries at the end of the year.	Amount of benefits paid during the year.	Average amount of benefits at the end of the year to—	
			Females.	Males.
1894-5.....	221	\$6,807.94		
1895-6.....	348	11,872.03		
1896-7.....	369	13,832.44	(a)	b \$39.20
1897-8.....	531	21,512.77	(a)	b 40.51
1898-9.....	685	28,589.51	(a)	b 41.74
1899-1900.....	1,238	62,718.99	(a)	b 50.66
1900-1.....	1,754	105,594.29	(a)	b 60.51
1901-2.....	2,094	138,247.71	\$62.09	128.48
1902-3.....	2,445	158,436.14	66.19	129.63

a Not separately reported.

b Average for both sexes.

On September 29, 1899, immediately before the beginning of the operations of the old-age insurance institution, Minister Carmine ruled that no person could be accepted as a permanent employee of the tobacco industry who would not be insured in the national old-age insurance institution. The contributions to be deducted from their earnings and paid by the administration of the industry were 1 lira (19 cents) per month from the wages of females and 2 lire (39 cents) per month from the wages of the males. To this contribution the administration of the industry added an equal amount. Thus the system of gratuitous old-age pensions was abolished in 1899 except for persons already employed. Considerable difference in the treatment of the old and new employees arose. Those employed on or before September 30, 1899, were entitled to a pension after 25 years of service. This pension was determined by the average annual salary for the last five years of service and amounted to  $\frac{1}{10}$  of the average salary when the service was less than 30 years,  $\frac{5}{10}$  when the length of service was 30 but less than 35 years,  $\frac{6}{10}$  if 35 years but less than 45 years,  $\frac{7}{10}$  if 45 years but less than 50 years, and  $\frac{8}{10}$  if 50 years or over. In all cases, however, the pension

was due unless disability was established. The minimum pension was 240 lire (\$46.32) for women and 480 lire (\$92.64) for men. If such disability arose before the completion of 25 years of service, but after 10 years, the employee was entitled to  $\frac{4}{10}$  of the average annual salary for the preceding five years, but such pension was to run only 2 years if the employee had served less than 12 years; 3 years if he had been in service 15 years but less than 20 years, and for 4 years if he had been in service 20 years but less than 25 years. The position of persons entering service after September 30, 1899, was entirely different, as they were subject to the general rules of the old-age insurance institution. But a computation showed that the pensions acquired under the latter conditions at the age of 60 for men and 55 for women would not be inferior to those granted under the old conditions.

To make the provisions for the two classes of employees uniform, and to sanction the system by legislative action, a bill was introduced on March 17, 1904, which with a few modifications became a law on June 16, 1904.

The law regulates the pensions for such employees as were in the regular service before September 30, 1899, subsequently referred to as "old employees," and for those who entered the service since then and referred to in the following accounts as new employees. The conditions are still very much different for these two classes of employees, but an effort was made in the law to equalize them as far as possible under the radical difference that only the new employees contribute to their old-age and invalidity insurance by compulsory insurance in the national institution.

All workmen permanently employed in the six institutions of the tobacco-manufacturing monopoly, whether day workers, piece-workers, master mechanics, artisans, supervisors, or clerks, are included.

The law provided for both superannuation and invalidity benefits.

The old employees are entitled to a pension from the administration, and the new employees must have their pensions liquidated by the old-age insurance institution under one of the following three conditions:

- (1) When they reach the age of 60 (55 years for female employees);
- (2) When they are disabled for further employment after 25 years of service; or
- (3) When they are disabled through injury or disease contracted because of their employment, provided they renounce their right to compensation under the accident-insurance law.

Lump-sum invalidity benefits are paid if the old employee has become disabled (not through the causes mentioned in the preceding paragraph) before he has acquired the right to a pension but after



10 years of service. Under identical conditions the new employees may demand the liquidation of their accounts in the old-age insurance institution either in the form of pensions or lump-sum payments.

When an old employee is forced to give up the service on account of disability (invalidity), a right to the regular superannuation or invalidity pension is acquired; but after 10 years of service he receives a lump-sum benefit computed on the basis of the average daily wages for the preceding five years, which is multiplied by 300 when the length of the service is less than 15 years, by 450 when it is 15 years but less than 20 years, and by 600 when it is 20 years but less than 25 years.

In case of new employees the national insurance institution must liquidate the pension either as a pension or as a lump sum, at the option of the insured. If the amount is below that named above the administration of the tobacco monopoly adds the necessary difference to bring it up to that.

The superannuation or invalidity pension of the old employee who has been in service 25 years is equal to the average daily wages for the preceding 10 years (excluding the two years of lowest wages) multiplied by 150. This gives approximately half his annual salary. For each year over 25 years up to and including the 45th year of service 3 units are added to the multiplier, so that by the end of 45 years the multiplier would be equal to 210 and the pension to  $\frac{7}{10}$  of the annual wages. For each year of service over 45 six units are added, so that the full pension, equal to annual wages, would be reached after 60 years of service. In no case shall the pension be less than 300 lire (\$57.90) for female employees and 480 lire (\$92.64) for male employees.

The new employees receive their pensions from the National Old-Age and Invalidity Insurance Institution, computed according to the general rules. Their insurance may be either on the mutual (alienated-capital) plan or the reserved-capital plan (see p. 1878), as explained later. If the pension computed by the national institution falls below the minima mentioned in the preceding paragraph, and the insurance has been taken on the mutual plan, then it is raised to the minimum, and the administration of the tobacco industry pays to the national old-age institution the difference necessary to bring the computed pension up to the minimum. When the insurance has been taken on the reserved-capital plan, then the payment is such as would be necessary to bring the pension up to the minimum, if the insurance had been taken out on the mutual (alienated capital) plan. That is to say, the minimum quoted is guaranteed to the employee only as a pension or annuity. But if the employee prefers to reduce the amount of his annuity by insuring on a reserved-capital plan, that circumstance shall not entitle him to any extra benefit.

In computing the length of service, all periods of service are added together, including the time of absence on account of sickness or military service. Credit is given for the time spent in service in the private tobacco works in Sicily.

The entire cost of the pensions of the old employees is met by the Government as a part of its appropriation for the tobacco works. The new employees are required to pay for their insurance, the following amounts being deducted from their wages: One lira (19 cents) per month for the female employees, who are in the vast majority, and 2 lire (39 cents) per month from the wages of the male employees. In addition, a monthly contribution is granted by the administration, enough to make, when added to the members' contribution and the subsidy of the insurance institution, a total of 34 lire (\$6.56) for the females and 58 lire (\$11.19) for the males. In other words, the total annual subsidy of the State and of the insurance institution amounts to 22 lire (\$4.25) for the female employees and 34 lire (\$6.56) for the male employees.

Each employee must decide under which of the two plans (reserved or alienated capital) he wishes to be insured. Within one year from the promulgation of the law the change from the alienated capital to reserved plan was permitted.

All superannuation and invalidity pensions paid according to previous regulations are transformed into pensions according to this law, but on the basis of the wages and length of service established at the time when the benefits were granted.

On March 31, 1903, at the time when the text of the law was being prepared, there were 16,184 names of workers on the rolls of this tobacco monopoly; of these, 2,371 were pensioners and 13,813 active employees and only 1,388, or about 10 per cent of the active employees were males. Only 3,170, or less than one-fourth, of these entered the service since September 30, 1899, and were subject to the new provisions for compulsory insurance, while 10,643, or over three-fourths, were entitled to gratuitous pensions. An estimate of the capitalized value of the pensions already running or to be granted to these 10,643 employees placed this value at nearly 25,000,000 lire (\$4,825,000).

#### SALT WORKS.

By the law of July 9, 1905, the provisions of the law granting pensions to the employees in the tobacco industry were extended, practically without any modifications, to the employees of the government salt works,<sup>a</sup> both to those who were employed on or before September 30, 1899, and to those who entered the service since that time. These works employ about 2,000 persons.

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<sup>a</sup> Bollettino dell' Ufficio del Lavoro, Vol. IV, 1905.

## OFFICE OF ENGRAVING AND PRINTING.

A special law granting pensions to the workers of both sexes employed in the government office for engraving and printing securities and valuable papers was approved on July 7, 1905. This law practically repeats the provisions of the law for the tobacco employees, except that the division into old and new employees dates not from September 30, 1899, but from the day of the promulgation of the present law (July 15, 1905).

## UNEMPLOYMENT INSURANCE.

No governmental institution for the insurance of wage-workers against unemployment exists in Italy, although the problem of unemployment insurance or rather unemployment relief has been under serious discussion for some time. So far the practical movements of relief have been limited either to cooperative or to humanitarian relief. Only within the last year or two has the subject of government aid to unemployment insurance been seriously discussed. No general discussion of the complex problems of unemployment is here intended, but the measures applied and proposed in Italy and the results of their application will be briefly sketched.

For a proper appreciation of the question of unemployment insurance, the few available statistical data concerning unemployment in Italy will be quoted. In view of the importance of trade unions in the development of unemployment insurance, the main data concerning trade unions in Italy will be brought together, and the most interesting experiment in the field of unemployment insurance will be described.

## UNEMPLOYMENT STATISTICS.

Data concerning the amount of unemployment in Italy are rather scant. While chambers of labor since 1904 have been required to furnish the Bureau of Labor with data concerning the number of organized workers and also the number of unemployed, the data thus furnished are, as yet, very incomplete.

Perhaps the best statistical study of the unemployed is that published by the Humanitarian Society in 1905 and referring to the status in Milan on July 1, 1903. Of an entire productive population of 165,305, only 27,306, or 16.5 per cent, made any report relative to unemployment. Of these, 6,388, or 23.4 per cent, of the number reporting were without employment on July 1, 1903.

In the following table the number and per cent of these 6,388 unemployed persons are given by age and sex.

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1905

## AGE AND SEX OF 6,388 PERSONS UNEMPLOYED IN MILAN ON JULY 1, 1903.

[Source: Contro la Disoccupazione. Pubblicazioni della Società Umanitaria, April, 1905.]

Age.	Males.		Females.		Total.	
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
Under 13 years.....	30	0.6	19	1.1	49	0.8
13 to 16 years.....	402	8.7	218	12.4	620	9.7
17 to 20 years.....	764	16.5	313	17.8	1,077	16.9
21 to 25 years.....	673	14.5	295	16.8	968	15.2
26 to 30 years.....	430	9.3	161	9.2	591	9.2
31 to 40 years.....	657	14.2	243	13.8	900	14.1
41 to 50 years.....	603	13.0	204	11.6	807	12.6
51 to 60 years.....	594	12.8	152	8.7	746	11.7
Over 60 years.....	364	7.9	99	5.6	463	7.2
Not reported.....	115	2.5	52	3.0	167	2.6
Total.....	4,632	100.0	1,756	100.0	6,388	100.0

The length of the state of unemployment, as indicated in the answers of the unemployed in Milan, is shown in the next table. Altogether 165,305 persons were asked to report in regard to unemployment. Of this number, 137,999 persons, or 83.5 per cent, did not respond at all; 18,720, or 11.3 per cent, reported days of unemployment within the preceding year; and 8,586, or 5.2 per cent, stated that they had never been unemployed. Of the 6,388 persons reported unemployed on July 1, 1903, 878, or nearly 14 per cent, were unemployed continuously from 1 to 4 years and over.

## DURATION OF UNEMPLOYMENT OF 6,388 PERSONS UNEMPLOYED IN MILAN ON JULY 1, 1903, BY SEX.

[Source: Contro la Disoccupazione. Pubblicazioni della Società Umanitaria, April, 1905.]

Duration of unemployment.	Males.		Females.		Total.	
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
8 days.....	278	6.0	107	6.1	385	6.0
15 days.....	384	8.3	151	8.6	535	8.4
1 month.....	513	11.1	253	14.4	766	12.0
2 months.....	473	10.2	226	12.9	699	10.9
3 months.....	461	10.0	198	11.3	659	10.3
4 to 5 months.....	429	9.3	138	7.8	567	8.9
6 to 7 months.....	437	9.4	119	6.8	556	8.7
8 to 9 months.....	180	3.9	49	2.8	229	3.6
10 to 11 months.....	76	1.6	27	1.5	103	1.6
1 year.....	380	8.2	109	6.2	489	7.7
2 years.....	167	3.6	35	2.0	202	3.2
3 to 4 years.....	66	1.4	13	.7	79	1.2
Over 4 years.....	96	2.1	12	.7	108	1.7
Not reported.....	692	14.9	319	18.2	1,011	15.8
Total.....	4,632	100.0	1,756	100.0	6,388	100.0

The above data, interesting in themselves, because they throw light upon the composition of the unemployed body, do not give very much information as to the rate of unemployment. In a later report of the same institution an interesting table is given which shows the rate of unemployment for members of labor organizations, which have been for several years furnishing regular monthly reports concerning the extent of unemployment.

## PER CENT OF MEMBERS OF MILAN LABOR ORGANIZATIONS UNEMPLOYED EACH YEAR, 1906 TO 1909.

[Source: Societa Umanitaria, Milano, Disoccupazione Collocamenti Sussidi in Milano nel 1909.]

Year.	Average monthly number of—		Per cent of members unemployed.
	Members of unions.	Unemployed members.	
1906....	5,392	152	2.82
1907....	6,499	230	3.54
1908....	7,459	257	3.45
1909....	6,148	169	2.75

## TRADE-UNION STATISTICS.

Historically, unemployment insurance, or, to use a broader and more exact term, unemployment relief, has grown up primarily as a function of the labor associations. While a few of the efforts toward furnishing unemployment relief have been made independently of labor organizations, the latest and most successful experiments, such as the Ghent system in Belgium and the system of the Humanitarian Society, are based upon the recognition of this natural correlation. A few statistical data concerning the growth and extent of labor organizations in Italy will therefore be useful in indicating the available organization for unemployment relief.

Most of the Italian labor organizations are affiliated with the federations of trade associations, the federations of farm laborers, or the chambers of labor.

The chambers of labor may be compared to our American central labor unions, though in Italy they have a semiofficial standing. They are representative organizations, composed of delegates from labor organizations, and have been growing in strength very rapidly during the last few years. At the beginning of 1906 there were 82 chambers of labor in Italy, composed of 2,732 organizations, having a membership of 298,446. Two years later the number of chambers had increased to 92, the number of organizations to 3,747, and the membership to 546,574.

The total income of these chambers in 1907 was computed at 432,241 lire (\$83,422.51) and the expenditures at 402,266 lire (\$77,637.34).

The federations of trade associations are not as strong numerically as the chambers of labor and do not seem to show the same tendency to growth. In the beginning of 1907 there were 21 of these federations, composed of 2,045 organizations, with a membership of 204,271, while in the beginning of 1908 there were 22 federations, with 2,550 organizations and 191,599 members. Within the year four new federations were organized and three dissolved.

The annual revenues have been approximately determined at 583,642 lire (\$112,643) and their expenditures at 480,526 lire (\$92,742).

The third important group of labor organizations is found in the field of agricultural labor. The organizations of farm laborers in Italy have been growing very rapidly within the last few years. At the beginning of 1906 there were 982 of these organizations, with a membership of 221,913. Two years later the number of organizations had increased to 1,809 and the membership to 425,983.

At the beginning of 1908 there were 189,423 farm laborers having membership in chambers of labor and 108,191 affiliated with the National Federation of Agricultural Laborers.

With 546,574 members in the chambers of labor, 191,599 in the federations of trade associations, and 425,983 in federations of farm laborers, there would seem to be 1,164,156 members of labor unions in Italy. This number, however, includes a great many duplications, as many of the members of the trade associations and of the farm laborers' unions also belong to the chambers of labor.

Combined statistics for these unions, indicating the relation between the local, central, and the national organizations were published in January, 1908, and refer to the beginning of 1907.

They are reproduced in the following table and show a grand total of about 684,000 members of labor organizations in Italy.

NUMBER OF ORGANIZATIONS AND MEMBERS OF LABOR UNIONS AT THE BEGINNING OF 1907, BY CLASS OF LABOR AND AFFILIATION.

[Source: Bollettino dell' Ufficio del Lavoro, January, 1908.]

Class of labor and affiliation.	Number of organizations.	Number of members.
<b>Agricultural labor:</b>		
Affiliated with chambers of labor.....	551	102,973
Independent.....	752	176,540
<b>Total.....</b>	<b>1,303</b>	<b>279,513</b>
<b>Industrial labor:</b>		
Affiliated only with chambers of labor.....	1,438	144,100
Affiliated only with federations.....	661	52,960
Affiliated with both chambers of labor and federations.....	569	122,164
Independent.....	282	43,309
<b>Total.....</b>	<b>2,950</b>	<b>362,533</b>
<b>Railroad employees.....</b>	<b>60</b>	<b>42,000</b>
<b>Grand total.....</b>	<b>4,313</b>	<b>684,046</b>
<b>Affiliated only with chambers of labor.....</b>	<b>1,989</b>	<b>247,073</b>
<b>Affiliated only with federations.....</b>	<b>a 721</b>	<b>a 94,960</b>
<b>Affiliated with both chambers of labor and federations.....</b>	<b>569</b>	<b>122,164</b>
<b>Independent.....</b>	<b>1,034</b>	<b>219,849</b>
<b>Total affiliated with chambers of labor.....</b>	<b>2,558</b>	<b>369,237</b>
<b>Total affiliated with federations.....</b>	<b>1,290</b>	<b>217,124</b>

a Including railroad employees.

These data are given at greater length by separate industries in the following table. They not only show the number of organizations and members in each large industrial group, but also their



respective affiliations and the proportion between organized labor and the total number employed according to the census of 1901 for almost all groups. The per cent of employed persons holding membership in labor unions was obtained by dividing the number of members in each industry at the beginning of 1907 by the number of persons in each industry according to the census of 1901. No later census figures were available.

NUMBER OF ORGANIZATIONS AND MEMBERS OF LABOR UNIONS AT BEGINNING OF 1907, BY INDUSTRY AND AFFILIATION, AND PER CENT OF EMPLOYEES IN LABOR UNIONS.

[Source: Bollettino dell' Ufficio del Lavoro, January, 1908.]

Industry.	Labor organizations.										Total number employed, according to census of 1901.	Per cent of total employed in labor unions. (a)
	Affiliated with—						Independent.		Total.			
	Chambers of labor only.		Federations only.		Both chambers of labor and federations.							
	Number of organizations.	Number of members.	Number of organizations.	Number of members.	Number of organizations.	Number of members.	Number of organizations.	Number of members.	Number of organizations.	Number of members.		
Agriculture.....	551	102,973					752	176,540	1,303	279,513	5,003,080	4.9
Fishing.....	1	60					1	55	2	145	51,200	.3
Metal mining.....	3	240	1	50			3	605	7	955	21,737	4.4
Marble and stone quarrying and working.....	58	4,336	44	2,700	30	2,967	18	834	147	10,847	64,306	16.8
Sulphur mining and extracting.....	6	1,845					8	6,236	14	8,071	41,402	19.5
Metallurgy.....	100	12,733	82	9,806	59	24,549	3	194	244	47,371	211,123	22.4
Precious metals, working.....	11	891					2	60	13	971	12,208	7.9
Pottery.....	7	796	20	1,091	6	835	2	95	35	2,517	8,182	30.8
Bricks, etc.....	45	5,663	31	2,911	19	4,255	9	1,082	103	13,911	53,385	26.1
Glass.....	31	2,079	18	1,141	15	1,708	2	18	66	4,946	12,044	41.0
Building trades.....	130	13,428	224	15,655	145	26,648	43	4,235	542	60,002	358,648	16.7
Chemical industry.....	18	2,109	8	2,007	7	1,629	3	170	33	5,915	33,563	17.6
Woodworking.....	91	8,001	27	972	33	2,479	16	604	167	12,146	186,181	6.5
Basket making.....	5	227			1	20	2	352	8	609	19,902	3.0
Straw goods.....	10	1,221					10	1,782	26	3,003	100,022	3.0
Paper making.....	6	396	2	282	3	681	2	475	13	1,834	23,270	7.9
Printing.....	24	2,383	24	2,330	34	8,366	3	60	95	13,139	22,290	40.7
Spinning, weaving, and dyeing.....	62	70	24	1,612	45	10,102	18	3,946	149	23,459	503,613	4.7
Leather.....	21	33	5	136	8	1,454	2	140	36	3,763	14,104	26.7
Clothing, etc.....	52	30	4	269	9	933	4	94	69	8,326	324,116	1.6
Hat making.....	5	52	11	109	18	4,651			34	5,312	11,682	45.8
Shoemaking.....	37	54	58	3,842	35	5,281	26	1,021	156	11,396	183,430	6.2
Barbers.....	22	63	6	197	5	890	1	82	34	2,832	29,142	9.7
Cereals and pastas.....	50	30	7	255	5	340	7	2,286	69	7,800	87,541	9.0
Bread baking.....	29	38	30	1,261	38	4,178	11	399	108	8,276	45,060	18.4
Sugar making.....	2	35			1	148	2	283	5	726	11,800	6.1
Other food products.....	52	36	1	60			5	951	58	9,807	44,063	21.6
Work in ports.....	46	33					2	1,050	48	10,333	(b)	
Navigation.....	13	18	7	3,140	8	12,698	2	610	30	17,366	(b)	
Government establishments.....			16	1,850	10	3,725	1	200	27	5,775	14,208	40.6
Street railroads.....	24	16							24	4,015	(b)	
Various public employments.....	98	18							99	8,518	(b)	
Nurses, etc.....	15	34	13	1,100	35	3,171			63	8,235	12,039	49.4
Not specified.....	347	3	1	35	1	500	77	15,200	420	46,429	(b)	
Total.....	1,969	247,073	661	52,960	569	122,164	1,034	219,849	4,253	642,040	(b)	

\* These percentages have been computed from the number of members of labor unions at the beginning of 1907 and the number of persons employed according to the census of 1901.

† Not reported.

The functions of these local labor organizations and their federations in Italy are very numerous and varied. Perhaps the most diversified is the activity of the chambers of labor, while the federations are more specialized organizations for collective bargaining. The chambers of labor may, and do to some extent, undertake anything that may further the interests of labor, such as employment bureaus, legislative agitation, educational work, publication of trade papers, arbitration courts between employers and employees, etc. Thus, in 1908, 39 chambers had employment offices, 65 had legal-aid bureaus, 30 employed physicians, 19 had schools, and 44 had libraries.

#### UNEMPLOYMENT RELIEF BY LABOR UNIONS.

In a report concerning unemployment insurance recently presented to the Chamber of Deputies the estimate is made that out of half a million of industrial workmen belonging to organizations only about 50,000 are protected by unemployment insurance.<sup>(a)</sup>

It is explained that the labor organizations in Italy mostly follow the policy of low membership dues, and are therefore often unable to undertake any form of insurance. The largest national labor organization to carry on unemployment insurance is the Italian federation of hat makers, with 36 branches and 5,896 members, which has a federal unemployment and traveling fund. Unemployment benefits are granted under the following conditions: At least one year previous membership; conclusive proof of the involuntary nature of the unemployment and absence of any other remunerative work; and duration of unemployment for at least one week.

The benefit is given for not over 12 weeks, and is very small, amounting to only 2 lire (38.6 cents) per week during the first three weeks, 3 lire (57.9 cents) per week during the following three weeks, 4.50 lire (86.9 cents) for the next four weeks, and 6 lire (\$1.158) per week for the last two weeks. These are the benefits for the first (higher) group of members; for the second (lower) group they are only 1 lira (19.3 cents), 1.5 lire (29 cents), 3 lire (57.9 cents), and 4.5 lire (86.9 cents) per week. The means to pay these benefits are obtained by contributions of members, which contributions are compulsory. The membership dues are 10 centesimi (1.93 cents) and 5 centesimi (0.97 cents) per week for the two groups of members, and out of these dues 4 centesimi (0.77 cents) and 2 centesimi (0.39 cents), respectively, are deducted for unemployment insurance. In addition to these unemployment benefits the federation pays traveling expenses. During the year 1908 the federation distributed 2,986 lire (\$576.30) for unemployment benefits and 1,914 lire (\$369.40) in traveling expenses, making a total of 4,900 lire (\$945.70).

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<sup>a</sup> Bollettino dell' Ufficio del Lavoro, Vol. XIII, 1910, pp. 1313-1334.

The Italian glass workers' federation also grants unemployment relief in the following three cases: At the close of the season, if within two months work is not resumed in the same establishment or in the same locality; in case of discharge because of the recognized necessity to reduce the number of persons employed; and, finally, when the workman's leaving becomes necessary for no fault of his. The benefits are paid out of the general fund of the association.

In the lithographers' federation the granting of unemployment benefits is made compulsory for the individual sections, under the supervision of the central committee; but insurance under this system is optional with the members. A member so insured is required to pay a premium of 10 centesimi (2 cents) per week and is entitled to relief in case of unemployment for lack of labor or any other cause for which he is not responsible, except sickness. The unemployment benefit is from 1 to 2 lire (19.3 cents to 38.6 cents) per day. The rules of this form of relief are very strict, requiring appearance at the headquarters of the section at least three times a week, and willingness to accept any employment the local section committee might offer him.

The federation of printers leaves the organization of the unemployment relief to its individual sections, which number 125. In 1908 62,339.45 lire (\$12,031.51) were granted for 40,153 days of unemployment in addition to 9,709.80 lire (\$1,873.99) for traveling expenses, making a total of 72,049.25 lire (\$13,905.50).

The study of unemployment relief, published by the labor bureau of the Milan Humanitarian Society in 1905, contains an analysis of the various forms of unemployment relief given by the Milan labor organizations at that time, i. e., before the organization of the unemployment fund by that society. Of the 115 organizations inscribed in 1903 in the Milan chambers of labor, 41 had some provision concerning unemployment benefits, and 32 were actually furnishing such. Unemployment benefits were most frequent among the employees of metallurgical and mechanical establishments. Out of 17 organizations of such employees, only 2 did not furnish some relief. Of 14 printing trades organizations, 8 furnished unemployment relief.

The methods and the conditions of payment of such relief are naturally subject to the widest variations, these organizations being entirely voluntary. The contributions may be uniform for all members or proportionate to the age groups, a smaller contribution being exacted from the employees under 18 years of age, or different for master mechanics and apprentices, or the contributions may be proportionate to the salary. The usual amount of contribution is about 10 to 15 centesimi (1.9 cents to 2.9 cents) per week, and the usual amount of unemployment benefit about 1 lira (19 cents) per day.

The amounts of benefits vary considerably and may depend upon the length of membership, and various regulations exist for limiting the length of time during which unemployment benefits may be paid. This period is usually limited to about six or eight weeks, after which some organizations grant half the benefits for another period of the same length. In the following table are shown the principal statistics of contributions and benefits of the unemployment insurance organizations in Milan:

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## CONTRIBUTIONS AND BENEFITS IN UNEMPLOYMENT

[Source: Contro la Disoccupazione.]

Occupation.	Members' contributions per week (cents).	Amount of unemployment benefits per day (cents).
Setters-up.....	1.9, 3.9, and 5.8 (a) .....	9.7, 14.5, and 19.3.....
Armature winders, etc.....	(b) .....	(b) .....
Bronze workers.....	2.9, 4.8, and 6.8 (a) .....	14.5, 19.3, and 29.0.....
Braziers.....	1.0, 1.9, and 2.9.....	9.7, 20.3, and 29.0.....
Chisellers.....	2.9 and 3.9 (a).....	19.3 and 29.0.....
Compositors.....	4.8.....	29.0, 38.6, and 50.2.....
Blacksmiths.....	1.0 and 1.9.....	9.7 and 19.3.....
Working women in printing.....	2.9.....	15.4.....
Type foundry.....	2.9.....	30.9.....
Metal foundry.....	1.0, 1.9, and 2.9.....	9.7, 19.3, and 29.0.....
Iron works.....	1.0, 1.9, and 2.9.....	9.7, 20.3, and 29.0.....
Printers.....	4.8.....	29.0, 38.6, and 50.2 (d) .....
Carvers.....	11.6, 17.4, and 23.2 (e) .....	19.3, 24.1, and 29.0.....
Instrument makers.....	1.9, 3.9, and 5.8 (a) .....	9.7, 14.5, and 19.3.....
Tinsmiths, etc.....	2.9 and 3.9.....	19.3 and 29.0.....
Photographers' helpers.....	2.9 and 4.8.....	14.5 and 19.3.....
Metal cornice workers.....	1.9, 2.9, and 3.9 (a) .....	9.7, 19.3, and 29.0.....
Mechanicians.....	1.9 and 4.8 (a) .....	9.7 and 19.3.....
Fine mechanical workers.....	2.9 and 4.8 (a) .....	11.6 and 19.3.....
Lithographers.....	3.9, 7.7, and 9.7 (a) .....	19.3.....
Butchers.....	21.2 (e) .....	9.7.....
Modelers.....	1.9, 2.9, and 3.9.....	19.3, 29.0, and 38.6.....
Goldsmiths, etc.....	7.7 and 11.6 (f) .....	14.5 and 24.1.....
Workers in skin and leather.....	5.8 and 11.6 (e) .....	19.3, 24.1, and 29.0.....
Polishers.....	1.9.....	19.3.....
Plumbers, etc.....	1.9 and 2.9.....	9.7 and 19.3.....
Saddlers and trunk makers.....	(g) .....	19.3 and 29.0.....
Stereotypers and galvanizers.....	9.7.....	29.0.....
Dyers, stampers, etc.....	2.9 and 3.9.....	96.5 and 135.1 (h) .....
Metal turners.....	1.9, 2.9, 4.8, and 6.8.....	9.7, 19.3, and 29.0.....
Metal chisellers, etc.....	1.9, 2.9, 3.9, and 5.8.....	4.8, 9.7, 14.5, and 19.3.....
Zinc etchers.....	1.6, 1.9, and 2.9.....	19.3, 27.0, and 33.8.....
Total.....	.....	.....

a These amounts include dues for strike benefits.

b Not reported.

c During entire period of unemployment.

d According to length of membership.

e Per month.

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1913

## INSURANCE ORGANIZATIONS IN MILAN, BY OCCUPATIONS, 1902.

Publicazioni della Società Umanitaria.]

Duration of payment of unemployment benefits.		Number of members.	Number unemployed during year.	Days for which benefits were paid during year.			Amount of benefits paid during year.	
Full benefits.	Half benefits.			Number.	Average per member.	Average per member receiving benefits.	Total.	Average per beneficiary.
8 weeks.....	8 weeks..	950	84	2,532	2.7	30.1	\$390.33	\$4.65
(b)	(b)	109	25	329	3.0	13.2	58.86	2.35
8 weeks.....	8 weeks..	300	1	96	.3	96.0	13.90	13.90
(c)		233	24	349	1.5	14.5	83.83	3.49
6 weeks.....		101	6	230	2.3	38.3	66.58	11.10
60 days.....		898	145	6,959	7.7	48.0	1,993.16	13.75
8 weeks.....	8 weeks..	825	5	246	.3	49.2	38.21	7.64
6 weeks.....		297	18	221	.7	12.2	26.17	2.01
6 to 12 weeks (d)		119	5	66	.6	13.2	23.62	4.72
8 weeks.....	4 weeks..	1,200	25	697	.6	27.9	134.52	5.38
(b)		190	38	1,525	8.0	40.1	373.90	9.84
60 days.....		750	103	3,229	4.3	31.3	895.33	8.69
8 weeks.....		138	47	264	1.9	5.6	67.79	1.44
10 weeks.....		75						
8 weeks.....	8 weeks..	210						
(b)		41	1	42	1.0	42.0	8.11	8.11
13 weeks.....		95						
8 weeks.....		117	13	351	3.0	27.0	64.85	4.90
8 weeks.....	8 weeks..	230	10	392	1.7	39.2	64.15	6.42
60 days.....		527	48	1,716	3.3	35.8	331.19	6.90
(b)	(b)	230	10	296	1.3	29.5	28.47	2.85
6 weeks.....	6 weeks..	75	14	229	3.1	16.4	67.55	4.83
6 weeks.....		360	10	256	.7	25.6	61.76	6.18
24, 30, and 42 days.		987	48	506	.5	10.5	115.37	2.40
8 weeks.....	8 weeks..	240	15	175	.7	11.7	32.62	2.17
6 weeks.....		108						
2 months.....		170						
6 weeks.....		60	3	60	1.0	20.0	19.11	6.37
3 months.....		666	14	385	.6	27.5	59.44	4.25
8 weeks.....	8 weeks..	1,400	135	4,847	3.5	35.9	957.33	7.09
8 weeks.....	8 weeks..	138						
6 weeks.....	6 weeks..	144	20	333	2.3	16.7	80.98	4.05
.....	.....	11,983	867	425,629	2.1	29.6	6,067.13	7.00

/ Per month. These amounts include dues for strike benefits.

g Fixed by the council of the union.

a Per week.

† This total is not the correct sum of the items; the figures are given as shown in the original report.



The two labor organizations which have granted unemployment insurance for the longest time are the unions of compositors and printers. In the following table are given the main results of their operations; for the compositors, for the period 1877 to 1901, and for the printers, for 1880 to 1902:

**RESULTS OF UNEMPLOYMENT INSURANCE IN UNIONS OF COMPOSITORS AND OF PRINTERS IN MILAN FOR A SERIES OF YEARS.**

[Source: Contro la Disoccupazione. Pubblicazioni della Società Umanitaria.]

Item.	Compositors: 1877 to 1901.	Printers: 1880 to 1902.
<b>Contributions:</b>		
Ordinary.....	\$23,169.81	\$9,344.12
Extraordinary.....	\$1,509.55	\$1,002.32
Total.....	\$24,769.36	\$10,346.44
Average per member per year.....	\$1.31	\$1.28
<b>Benefits paid:</b>		
Ordinary.....	\$23,616.88	\$6,672.09
Extraordinary.....	\$1,028.61	\$73.48
Total.....	\$24,645.49	\$6,745.57
Average per member per year.....	\$1.30	\$0.82
Average per year.....	\$985.82	\$293.29
<b>Days of unemployment:</b>		
Number for which benefits were paid.....	71,799	24,573
Average per year.....	2,872	1,068
Average per member per year.....	3.8	3.0
<b>Members:</b>		
Total number for all years.....	18,929	8,208
Number receiving benefits.....	1,182	924
Per cent receiving benefits.....	6.24	11.26

**PRIVATE AND VOLUNTARY UNEMPLOYMENT INSURANCE.**

**MUTUAL BENEFIT SOCIETIES.**

In a small way the mutual benefit societies (described in the chapter on sickness insurance) have made some effort to meet the problem of unemployment relief for over 25 years. According to the statistical reports of these mutual benefit societies, in 1885 there were 184 societies which included unemployment relief among their various activities, in 1895 there were 234, and in 1904, 417, or 6.2 per cent of all. No data exist as to the amount of unemployment relief thus granted, except for 1885, when it amounted to 32,787 lire (\$6,328).

The peculiar conditions of the unemployment insurance problem require special organizations for dealing with them, and within the last decade various special unemployment insurance societies have been founded in Italy in an experimental way. Though the extent of the activity of these societies is small, they are nevertheless of importance because the entire subject of unemployment insurance is as yet in an experimental stage, and the best method of treating this condition still remains to be determined. A brief account of them follows.

## SPECIAL UNEMPLOYMENT INSURANCE SOCIETIES.

BOLOGNA.—As early as 1896 the director of the Bologna Savings Bank proposed a new type of personal accounts for the specific purpose of providing for involuntary unemployment, and for the benefit of these accounts the interest from a special fund of 200,000 lire (\$38,600) was to be assigned.

Personal account books could be taken out by wage-earners over 14 years of age, born and living in Bologna, in the trades of mason, carpenter, blacksmith, roofer, white washer, marble worker, tinsmith, glass worker, and plasterer.

Each depositor was required to deposit within a certain time 5 lire or 3 lire (97 cents or 58 cents), according to whether he was of age or not.

After the time for making the deposits had elapsed, the depositors, if deprived of employment without any fault of theirs, were entitled to receive a daily benefit of 60 centesimi (12 cents) for minors and 1 lira (19 cents) for persons of age. This benefit was continued for not over 40 days, beginning with the sixth day of unemployment, and was payable every 3 days.

If the interest on the special fund should become exhausted the depositors were to be entitled to receive the amounts of their deposits and interest, the total grant not to exceed 40 lire (\$7.72). Unemployment due to sickness or accidents was excluded, other agencies existing for these forms of relief.

The depositor was required to furnish a certificate from his employer and from 4 wage-earners not unemployed, in the same or similar branches of industry.

The heirs of an insured person who died during the insurance period without having received any benefits received the deposits and interest. The same rule was to apply if the bank decided to discontinue the experiment.

This plan enabled the insured to purchase for 3 or 5 lire (58 cents or 97 cents) an insurance of 40 days benefits, or a total of 24 or 40 lire (\$4.63 or \$7.72), but, on the other hand, there was the possibility of losing the deposited amount if the person insured did not suffer from unemployment within the period. This was the result of the application of the ordinary principle of mutual insurance. But this principle of mutuality was not sufficiently developed to overcome the fear of losing the deposit, and the plan never achieved any great popularity.

During the first year of the operation of this plan only 27 workers availed themselves of this opportunity, their deposits together with interest accrued amounting to 117.59 lire (\$22.69), while the amount of benefits granted reached 660.40 lire (\$127.46).

In the second year of the experiment, the masons, roofers, white washers, and plasterers were excluded because for them the certainty of unemployment existed. It was argued that the theory of insurance presupposed protection only against an unexpected or uncertain emergency; then the insurance premium corresponds to the degree of probability of the emergency arising; but if the emergency is sure to arise, insurance appears to be unnecessary. Other trades were added in the place of those excluded, namely, workers in ammunition factories, shoemakers, hat makers, tanners, carriage makers, leather workers, bakers, pewterers, horseshoers, brass workers, bridge workers, saddlers, stonecutters, chisellers, dyers, turners, and glaziers. Other changes also were introduced. It was thought desirable to prefer for insurance such persons as have shown a tendency to some providence, and therefore the right to receive benefits was limited to persons having a savings-deposit book for at least one year. Persons keeping steady employment with the same employer were thought worthy of encouragement, as against workmen constantly changing one employer for another, and therefore the right to receive benefits was limited to persons who had worked for at least one year for the same employer. The same limits of the benefits remained, i. e., 40 days and a total of either 24 or 40 lire (\$4.63 or \$7.72). The required evidence of unemployment was simplified. •

In the year 1898-99 further modifications were introduced. The required period of ownership of a savings account was reduced from 1 year to 3 months and subsequently to one month. The required period of continuous employment was also reduced from 1 year to 6 months. Women working in the specified industries were also admitted to this form of insurance, and the list of industries was extended to include the employees of military arsenals, tobacco manufacturing, and the manufactures of mineral and sparkling waters. Private employees and the management of government establishments endeavored to stimulate this form of insurance by special prizes and privileges. But all these modifications and changes in regulations failed to arouse the interest of workmen in this institution, and the possibility of losing the 5 lire (97 cents) of premium proved an effective barrier against any considerable extension of the system. According to the report of the directors, the main cause of failure was the insurance principle itself, as the danger of protracted unemployment was not great in Bologna, except in the building trades, to which the insurance principle was claimed to be inapplicable. As a result the insurance principle was entirely abandoned and in its place was substituted a system of individual savings for a definite purpose, with a subsidy to such savings added mainly to promote the habit of saving. New regulations were therefore prepared in 1901. The exclusion of the building trades was discon-

•

tinued, since only by the difficulties of application of the insurance principle was this exclusion justified.

The basis of the new regulations was individual accumulations by means of deposits in the savings bank, upon which the bank was to pay interest. The interest upon the fund of 200,000 lire (\$38,600) was to be distributed among this group of depositors proportionately to their deposits during the current year, but not to exceed the actual amount of deposits, or 40 lire (\$7.72), to one person within any one year. These additional credits were to be interest bearing like the original deposits. The essential features making these saving deposits a form of unemployment relief are the rules that withdrawals from the account may be made only if proof is furnished that the depositor is at the time unemployed without any fault of his and that the withdrawals must not exceed 1.50 lire (29 cents) per day. These withdrawals must be made by the depositor in person, and if he, while out of work, endeavors to make withdrawals through another person without giving a satisfactory reason for such action he loses the credits already given him, with the interest accrued, and the additional credits due during the year. The additional credits and the interest accrued on these remain on the account of the depositor for the following year if not used during the current year. In case of death of the insured these credits and the interest accrued, if not used by the depositor, revert to the fund, while the contributions made by the insured and interest on these contributions revert to the heirs. Thus, a workman participating in this plan of unemployment relief does not run any risk of losing the savings made. The new plan of 1901 reduced itself to gratuitous contributions by the bank, without any risk on the part of the depositor. This proved more popular, and the number of depositors grew so large that it soon became doubtful whether it would be possible to pay the maximum bonus of 40 lire (\$7.72) allowed by the regulation. As this maximum limit was likely to give rise to an impression that such bonuses would actually be paid, it was eliminated from the regulation, and the determination of the limit was left entirely to an administrative council.

In the same year persons under 18 years of age were excluded, and to persons from 18 to 21 years the daily compensation was limited to 1 lira (19 cents), because it was feared that in case the daily benefit was higher than the earnings of the young persons the system of unemployment relief might prove a factor for the encouragement of laziness and unemployment. Later it was also decided to exclude female wage-earners because of the difficulty experienced in establishing the lack of employment in lines of female work. Toward the end of 1901 the influx of depositors was so great that it was found necessary to increase the fund by another 100,000 lire (\$19,300) and

to limit the members to residents not of the province, but of the city of Bologna. The increase of depositors under this form continued, however, and by 1903 it became evident that a further reduction of the bonuses below an amount which would be at all adequate was necessary unless further restrictions were placed in the classes of persons admitted. All wage-workers under age were therefore excluded under the assumption that they had lighter obligations and often had the chance of obtaining relief from their homes. Persons over 65 years of age were also excluded because at that age unemployment assumes the nature of invalidity and must be handled as such. Notwithstanding these limits the cost of this system grew very rapidly, and soon various abuses asserted themselves, such as deception concerning conditions of unemployment, voluntary unemployment, fraudulent deposits through loans so as to increase the available sum of benefits. The detection of these fraudulent practices became a very difficult matter. Against the commonest form of fraud, that of an employed wage-worker receiving unemployment benefits, the remedy was proposed of demanding the daily appearance of those claiming benefits so as to establish the fact of unemployment. It was even suggested that the unemployed appear twice a day, since it was quite apparent that no employed worker could absent himself twice a day from his shop and keep his employment. But the consideration of the discomfort to the unemployed by doubling trips in all kinds of weather, sometimes over great distances, with the temptation to spend, prevailed against this plan.

The measures taken for prevention of fraud were not altogether satisfactory, and in 1903 the director was forced to announce at a meeting of the unemployed that unless some method was devised to prevent fraud this activity of the bank would have to be discontinued. As a result a commission of labor delegates was elected, consisting of five members. The commission brought in the following suggestions: That the subsidized unemployed be required to assemble daily, that they remain there for 2 hours (1 to 3 p. m.), the doors being closed after the appointed hour.

This plan was not adopted because it was feared that it would cause too much complaint and irritation. The establishment of a vigilance committee was also suggested, but objection was found to it on account of the hostility to which the members of such committee would be exposed.

It proved difficult to suggest a way to counteract the other frauds mentioned.

Altogether there were 691 persons registered under this form of insurance or relief in 1903. Their deposits and other credits amounted on December 31, 1903, to 31,570.87 lire (\$6,093.18). After the winter unemployment, i. e., on March 31, they equaled 20,252.64 lire

(\$3,908.76) and on May 31, 20,665.86 lire (\$3,988.51). The fund from which interest is used to pay the bonuses to the persons insured equaled 356,300 lire (\$68,765.90).

There evidently were two well-defined periods in the history of this experiment. As an insurance scheme it was a complete failure because the classes concerned refused to take any interest in the matter. In the latter stage it became a system of subsidizing individual savings and rapidly became popular, but led to various forms of malingery and fraud. It has also been pointed out that because of the total absence of any connection between this system of relief and the institutions for finding employment it had no influence on the reduction of the unemployment period.

The total number of savings books issued by the Bologna Savings Bank under the form of unemployment insurance up to October 31, 1904, was 865, of which 173 became extinct, leaving active accounts on that date of 692. By occupation, these owners of books were distributed as follows:

NUMBER OF SAVINGS BOOKS ISSUED FOR UNEMPLOYMENT INSURANCE BY THE BOLOGNA SAVINGS BANK UP TO OCTOBER 31, 1904, BY OCCUPATIONS.

[Source: Bollettino dell' Ufficio del Lavoro, Vol. IV, 1905.]

Occupation.	Number of savings books—			Occupation.	Number of savings books—		
	Issued.	Extinct.	Current.		Issued.	Extinct.	Current.
Masons.....	690	129	561	Carpenters.....	13	4	9
White washers.....	61	21	40	All other.....	48	8	40
Mechanics.....	22	6	16	Total.....	865	173	692
Laborers.....	17	1	16				
Varnishers.....	14	4	10				

This form of insurance was evidently used almost exclusively by the building trades, for whom some period of unemployment is certain. According to the regulations, the distribution of the bonuses to the accounts was made on December 31, and on the basis of the deposits made during the twelve months ending on October 31 preceding. In the following table is shown the amount of deposits for the year November, 1903, to October, 1904, by months, and it appears quite evident that the deposits did not rise to any considerable amount until toward the end of the year.



**NUMBER AND AMOUNT OF DEPOSITS FOR UNEMPLOYMENT INSURANCE IN THE  
BOLOGNA SAVINGS BANK FOR THE FISCAL YEAR ENDING OCTOBER 31, 1904.**

[Source: Bollettino dell' Ufficio del Lavoro, Vol. IV, 1905.]

Year and month.	Deposits.		Year and month.	Deposits.	
	Number.	Amount.		Number.	Amount.
<b>1903.</b>			<b>1904—Concluded.</b>		
November.....	14	\$12.35	May.....	223	\$168.30
December.....	3	4.25	June.....	335	261.71
<b>1904.</b>			July.....	454	372.70
January.....	1	1.93	August.....	415	350.68
February.....	1	.29	September.....	397	343.27
March.....	17	5.60	October.....	417	358.46
April.....	85	52.78	Total.....	2,362	1,932.32

The total amount credited to these 692 accounts in October, 1903, was 18,931.02 lire (\$3,653.69), so that the total amount deposited on October 31, 1904, reached the sum of 28,943.22 lire (\$5,586.03). The amount of bonuses distributed was 7,440 lire (\$1,435.92), only 328 persons qualifying for such bonuses. The total amount withdrawn for unemployment relief during the following eight months, November, 1904, to June, 1905, was 16,290 lire (\$3,143.97), distributed, by months, as follows:

**NUMBER OF DAYS OF UNEMPLOYMENT AND AMOUNT WITHDRAWN FROM THE  
BOLOGNA SAVINGS BANK FOR UNEMPLOYMENT RELIEF FOR THE EIGHT MONTHS  
ENDING JUNE 30, 1905.**

[Source: Bollettino dell' Ufficio del Lavoro, Vol. IV, 1905.]

Year and month.	Number of days of unemployment.	Amount withdrawn.	Year and month.	Number of days of unemployment.	Amount withdrawn.
<b>1904.</b>			<b>1905—Concluded.</b>		
November.....	74	\$21.42	March.....	1,732	\$501.41
December.....	545	157.78	April.....	187	54.14
<b>1905.</b>			May.....	146	42.27
January.....	3,956	1,145.26	June.....	28	8.11
February.....	4,192	1,213.58	Total.....	10,860	3,143.97

The entire activity of this form of insurance might be designated as an effort to encourage the saving of summer earnings for use during the winter unemployment. Some such process is inevitable in seasonable trades, like the building trades, to which almost all the beneficiaries of this plan belong. In the case of the Bologna Savings Bank a very high bonus of over 50 per cent is given to the persons practicing this form of saving.

Notwithstanding the modest limits of this activity, it was again felt necessary, in 1905, to "proceed cautiously," as the director of the bank states in his last report, <sup>(a)</sup> so as to prevent an undue pressure

<sup>a</sup> Bollettino dell' Ufficio del Lavoro, Vol. XIV, Oct., 1910, pp. 697-702.

upon the resources of the bank. An entirely new set of regulations for this part of the activity of the savings bank was therefore prepared in 1905 and went into effect in the beginning of 1906. It embodied mainly the following two new principles: First, that only those depositors who actually suffer from unemployment participate in the distribution of the interest on the endowment fund. This was claimed to be more logical than the distribution of the interest among all the depositors. Secondly, right was given to withdraw the deposits after the period of "insurance" had elapsed.

The regulations adopted in 1905, and still in force, provide for the following system of unemployment relief:

The Bologna Savings Bank has a special fund of 300,000 lire (\$57,900) for unemployment relief of such persons as are willing to make savings for the lean months in times when there is enough work. The benefits of this fund are open only to men between 21 and 65 years of age who live and work in Bologna, who are employed in manual labor, and who work for hire, being employed on a daily or weekly wage. In order to participate in these benefits the men must obtain special unemployment deposit books. Each person may possess only one such book. A very important provision is the rule which gives the administration of the fund the right to determine each year how many such unemployment deposit books shall be issued. Applications for these books must be made within a certain time of the year, namely, between March 1 and May 31, and are acted on in the order in which they have been made.

The deposits must be made out of the personal earnings of the depositor and must not exceed 5 lire (96.5 cents) per week. These deposits draw the ordinary rate of interest on the same conditions as all other deposits in the savings bank. In addition to this normal rate of interest, however, these deposits entitle the depositor to a participation in the interest of the unemployment fund, there being two grades of benefits. The first grade consists of depositors who deposited 40 lire (\$7.72) or over, and for them, according to the language of the regulations, "1 lira (19 cents) is reserved for every lira deposited, but not over 40 lire (\$7.72);" in other words, to all of the depositors of the first grade a credit of 40 lire (\$7.72) is reserved. The second grade consists of depositors who have deposited less than 10 lire (\$1.93); for them one-half of a lira is reserved for each lira deposited up to 20 lire (\$3.86).

Both the deposits and these reservations of benefits are for the purpose of unemployment relief. Moreover, the savings of one year are intended for relief during the following year. During the current year, therefore, in which the deposits have been made, they are not subject to withdrawal. But during the next year they may withdraw such deposits, together with the share of the benefits on

presentation of sufficient proof of being unemployed without any fault of their own. If, however, they withdraw their own deposits without such proof, they lose all right to the benefits. The unemployment withdrawals must not exceed 1.50 lire (29 cents) per day while such unemployments lasts. This daily allowance of 1.50 lire consists partly of their own deposits and partly of the benefits reserved, in the following ratio: For the depositors of the first grade, i. e., those who have accumulated 40 lire (\$7.72), each daily allowance of 1.50 lire (29 cents) consists of 0.75 lira of their own deposits and 0.75 lira of the reserved benefits, until the limit of 40 lire (\$7.72) of the latter is exhausted, and for the depositors of the second grade 1 lira (19 cents) of the deposits, and 0.50 lira (9.7 cents) from the reserves up to the limit of 20 lire (\$3.86).

In order to obtain these benefits the depositors are required to present themselves in person, as often as required, and to furnish all required proof of unemployment. The benefits may, however, be given even to such depositors as have left Bologna for other localities in search of employment, if they are unsuccessful in their search, provided they are able to present satisfactory proof of such unemployment.

A complete account of the activity of the Bologna Savings Bank was recently published by the administration, covering the years 1904 to 1910. The account shows that the new regulations had the effect of restricting the deposits, especially during the first year of the full application of the new rules, i. e., 1907. Thus, not only has the total amount of benefits paid out been decreased from 11,862.97 lire (\$2,289.55) in 1906 to 4,553.25 lire (\$878.78) in 1909, but the proportion of the benefits to the total deposits has materially declined, from 66.6 per cent in 1904 to 26.7 per cent in 1909. As the endowment fund at the same time has been materially increased, it may be admitted that the new regulations have succeeded in preventing the threatening danger of excessive losses. For the years 1906 and 1907 the maximum limit of persons to be admitted to participation in the benefits was determined by the bank at 450, and for the following years at 750. The whole history of this experiment is therefore mainly interesting as an illustration of the serious difficulties in the way of an unemployment relief plan which is based upon the principle of subsidized private saving. The method of voluntary saving was evidently selected for considerations of character building, as being the best method of relief through a combination of economic and educational effects, while on the other hand the subsidies made exactly the opposite effect likely, unless the work was surrounded by very stringent safeguards, which narrowly limited its scope.

In the table following are shown the operations of the unemployment fund of the Bologna Savings Bank from 1904 to July 31, 1910.

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1923

## OPERATIONS OF THE UNEMPLOYMENT FUND OF THE BOLOGNA SAVINGS BANK, 1904 TO 1910.

[Source: Bollettino dell 'Ufficio del Lavoro, Vol. XIV, 1910.]

Year.	Number of deposit books.				Total credits on books January 1.	Deposits during year.			Interest on deposits.	Benefits distributed from endowment fund.(a)	Total deposits, interest, and benefits.	Amount on books at end of year.	
	On January 1.	Issued during year.	Discontinued during year.	At end of year.		Entitled to participate in benefits.	Not entitled to participate in benefits.	Total.				Total.	Average per depositor.
1904..	680	55	65	680	\$4,083.53	\$1,917.84	.....	\$1,917.84	\$64.94	\$1,657.29	\$3,640.07	\$6,935.94	\$10.20
1905..	680	126	54	752	6,935.94	2,449.54	896.35	2,545.89	152.37	2,289.55	4,987.81	8,402.75	11.17
1906..	752	35	55	732	8,402.75	2,444.23	.....	2,444.23	167.62	(b)	2,611.85	6,624.61	9.05
1907..	732	94	97	729	6,624.61	2,258.83	13.86	2,272.69	94.89	884.08	3,251.66	4,257.95	5.84
1908..	729	99	76	752	4,257.95	2,215.69	10.95	2,226.64	112.34	497.17	2,836.15	4,734.49	6.30
1909..	752	96	53	795	4,734.49	2,482.08	1.21	2,483.29	116.38	878.78	3,478.45	4,923.39	6.19
1910..	795	c 35	c 43	c 787	4,923.39	(d)	(d)	c 897.78	c 109.80	c 376.78	c 1,384.36	4,037.65	5.13

Year.	Amount of endowment fund.	Members inscribed on rolls during preceding year for participation in benefits.	Members admitted.		Members suspended.	Withdrawals.					Days of unemployment.
			First grade.	Second grade.		Benefits.		Deposits.		Total.	
						Amount.	Per cent of total.	Amount.	Per cent of total.		
1904..	\$67,347.00	522	81	438	3	\$1,855.49	66.6	\$932.17	33.4	\$2,787.66	(d)
1905..	68,804.50	333	183	145	5	1,657.29	47.1	1,863.71	52.9	3,521.00	(d)
1906..	70,039.70	372	286	71	15	2,289.55	52.2	2,100.45	47.8	4,390.00	6,107
1907..	70,618.70	450	296	46	108	884.08	15.7	4,734.23	84.3	5,618.31	6,194
1908..	71,101.20	444	324	110	10	497.17	21.1	1,862.44	78.9	2,359.61	3,453
1909..	71,101.20	564	399	137	28	878.78	26.7	2,410.77	73.3	3,289.55	5,977
1910..	71,101.20	552	400	142	10	c 376.78	c 15.3	c 2,086.31	c 84.7	c 2,463.09	c 2,592

<sup>a</sup> The amounts reported for 1904 and 1905 were distributed among the accounts at the end of the respective years; for 1907 to 1910 the distribution was made only at the time of payment of unemployment benefits.

<sup>b</sup> On account of the change in the system no distribution of benefits was made this year.

<sup>c</sup> For the first seven months of the year.

<sup>d</sup> Not reported.

VENICE.—The unemployed workmen's benefit society of Venice (*La Società di Previdenza per gli Operai Disoccupati in Venezia*) was established by some private persons with a charitable purpose in 1901, and legally incorporated by the royal decree of June 30, 1901.

The purposes of this society are to facilitate as far as possible the placing of unemployed workmen, to assist them with temporary subsidies in case of involuntary unemployment, and to assist in the settlement of disputes between employers and employees.

The first purpose is met by gathering all available information concerning the demands for help, which information is furnished to persons interested, and occasionally also by furnishing traveling expenses to those who have obtained employment out of town.

The provision of the by-laws requiring the society to act as a conciliator in disputes between employers and employees has remained a dead letter, the main function being that of granting aid to unemployed persons. Although originally a private organization, the municipality of Venice went to its aid. In 1904 the amount contributed by the municipality of Venice was 10,000 lire (\$1,930), by the province of Venice, 1,000 lire (\$193), and the contributions of honorary members and patrons amounted to about 2,000 lire (\$386).

The contributions of the wage-workers insured during the first three years of the activity of the society was 40 centesimi (8 cents) per month, but in 1904-5 were increased to 1 lira (19 cents) per month by the executive council of the society. This increase of contributions was partly offset by an increase of the benefits from 1.25 lire (24 cents) to 1.50 lire (29 cents) per day to married workmen and to widows with more than two children. But the main purpose of the increase is admitted by the administration to have been to check the rapid growth in the number of insured, which became alarming in view of the absence of all limitations as to the duration of the benefits and the cheapness of the rates.

The activity of this society is admitted by its administration to be in the nature of an experiment, requiring further study, especially for the purpose of adjusting the finances of the society. Its essential difficulty is evidently to be found in the fact that it is primarily a disguised form of charity, a very small share of the revenue being derived from the contributions of the insured.

The activity of the society for the fiscal years 1902-3 and 1903-4 is shown in the following table:

NUMBER OF MEMBERS AND NUMBER, AMOUNT, AND AVERAGE OF BENEFITS PAID BY THE UNEMPLOYED WORKMEN'S BENEFIT SOCIETY OF VENICE, 1902-3 AND 1903-4, BY INDUSTRIES.

[Source: Bolletino dell' Ufficio del Lavoro, Vol. II, 1904.]

Industry.	1902-3.					1903-4.				
	Num-ber of mem-bers.	Num-ber re-ceiving bene-fits.	Per-cent re-ceiving bene-fits.	Total bene-fits.	Aver-age bene-fits per bene-ficiary.	Num-ber of mem-bers.	Num-ber re-ceiving bene-fits.	Per-cent re-ceiving bene-fits.	Total bene-fits.	Aver-age bene-fits per bene-ficiary.
Metallurgy (a).....	190	74	38.9	\$572.33	\$7.73	151	95	62.9	\$894.46	\$9.42
Shipbuilding, etc.....	34	25	73.5	229.96	9.20	63	58	92.1	576.45	9.94
Building trades.....	91	32	35.2	306.87	9.59	79	45	57.0	476.42	10.59
Woodworking.....	15	6	40.0	60.50	10.08	16	7	43.8	91.19	13.03
Painters, decorators, etc.....	98	70	71.4	670.58	9.58	119	100	84.0	1,015.95	10.16
Unskilled laborers and others not specified.....	17	8	47.1	84.44	10.56	24	24	100.0	266.58	11.11
Total.....	445	215	48.3	1,924.68	8.95	452	329	72.8	3,321.05	10.09

<sup>a</sup> Including only iron and steel manufacturing in 1903-4.



**MILAN.**—Perhaps the most ambitious effort in the line of unemployment relief is that made by the Milan Humanitarian Society. This is a charitable institution for various forms of social betterment, established by a legacy of Prospero Moisè Loria who died on October 28, 1892, leaving his entire fortune of over 10,000,000 lire (\$1,930,000) to this institution. Because of continued litigation (see the Survey, July 10, 1909, vol. 22, p. 541), the operations of the society did not begin until 1900, by which time the accrued interest had increased the endowment up to nearly 13,000,000 lire (\$2,509,000). While the scope of this institution is very broad, including technical education, housing reform, employment offices, and statistical study of labor problems, one of the main, if not the main object at present is the relief of the unemployed. The scheme of the unemployed relief or insurance adopted by this organization is especially interesting because it follows the experience of the well-known Ghent system, being based upon subsidies to labor organizations granting such relief. In this way the scheme, in addition to contributing financially to the support of the unemployed, aims mainly at stimulating self-help and mutual help among the organized workers as a means of counteracting the harmful effects of unemployment.

The unemployment insurance fund, which began its operations on July 1, 1905 is regulated by the following constitution:

#### CONSTITUTION OF THE MILAN UNEMPLOYMENT BENEFIT FUND.

**ARTICLE 1.** There shall be established an institution for unemployment relief among trade associations aiming at economic betterment of their members and among savings associations, with participation and cooperation of Milan cooperative societies, of the Humanitarian Society, and of any other societies which might desire to participate.

**ART. 2.** This institution aims to coordinate the individual funds for unemployment relief existing within associations named in article 1. The institution helps to organize funds destined to grant unemployment relief in connection with financial assistance from the cooperative societies, the Humanitarian Society, and other organizations.

**ART. 3.** Only involuntary unemployment shall be subsidized, and only when caused by dull season, fluctuations in demand and supply of labor, industrial crises, and other suspensions of work, independent of the will of the worker, as removal of factories, breaking down of machinery, conflagrations, etc.

**ART. 4.** There may be admitted to participation in the institution such associations, which, besides unemployment relief, pursue other aims of social betterment, providence, and cooperation.

**ART. 5.** The individual trade associations shall determine the conditions regulating the payment of contributions by their members and the granting of subsidies to different groups of workers belonging to the same trade, with consideration of the conditions of wage payments, the possibility and intensity of unemployment. But these conditions must be approved by the council of the institution. The associations must, therefore, present copies of their constitutions signed either by their presidents or by the members of the councils in charge, as the case might be.

**ART. 6.** The cooperative societies which participate in the institution with their financial assistance may resolve that this financial assistance be designated only for the benefit of the same class of workers of whom the membership of the cooperative society consists.

**ART. 7.** The addition of the institution to the unemployment benefits, as established by the separate associations and paid out of their funds, is fixed at 50 per cent of the amount of the benefits, but must not exceed 50 centesimi (10 cents) per day, and shall be granted for not exceeding 60 working days in any one year.



The administrative council of the institution shall have the power to reduce in the course of the year the rate of this addition in accordance with the gravity and intensity of unemployment, and also according to the financial condition of the institution.

ART. 8. The institution shall not contribute any additional payments whenever the benefit paid to the unemployed member by the association shall exceed 1.50 lire (29 per cents) per day.

The addition of the institution to the benefits paid by the associations shall be paid at the end of each month to the individuals adhering to the associations, after presentation of their registers with statements of amounts paid out, and after the auditing of these accounts.

ART. 9. All the members of the associations granting unemployment benefits and belonging to the institution must also be registered in some employment office.

ART. 10. The associations must keep accounts of their membership and of the unemployment benefits according to a uniform plan determined by the administration of the institution.

ART. 11. Those members who, in the opinion of the council, do not belong to the class of workingmen, those who have deceived or tried to deceive the institution under the disguise of unemployment, or who have refused employment offered by the employment office, shall lose the right to obtain any benefits.

ART. 12. The operations of the institutions are supervised and managed by a council consisting of:

- (a) The president of the Humanitarian Society;
  - (b) Another representative of the Humanitarian Society as chairman;
  - (c) Two representatives of the trade associations belonging to the institution;
  - (d) One representative of the cooperative societies contributing to the institution;
- and

Finally, a representative of those who contribute annually at least 5,000 lire (\$965).

The representatives of the trade associations and cooperative societies are elected in annual meetings of the delegates of the individual associations and cooperative societies. Each association is entitled to one vote.

The associations having more than 100 members have one vote for each 100 members participating in the unemployment relief. The officers elected remain in office one year and are re-eligible.

ART. 13. The Humanitarian Society provides the office force, the headquarters, office expenses, and the printing.

ART. 14. The institution is established experimentally for one year.

The organization and plan of this form of unemployment insurance appears very plainly from the brief constitution quoted. It follows quite closely the plan of the so-called Ghent system. It began operation on July 1, 1905.

In the spring of 1909 an unemployment benefit institution was organized in Brescia by the local branch of the Milan Humanitarian Society. The constitution of this new institution follows closely that of the Milan fund. The subsidy given by it to the unemployment benefits furnished by the trade associations is determined at 50 centesimi (10 cents) per day for not exceeding 40 days. It may be increased to 75 and 90 centesimi (17 cents and 19 cents) to those persons who carry membership in two or three trade associations granting unemployment benefits. According to the latest information available this institution has not yet begun its operations because the necessary trade association unemployment funds have not yet been organized.

The general results of the activity of the unemployment insurance fund of the Milan Humanitarian Society are shown in the following table for 4½ years, from July, 1905, to the close of 1909. The fund began operations on July 1, 1905, with 27 labor organizations affiliated and 6,449 members. By the end of the year the number of affiliated organizations had increased to 33, and by the

end of 1906 to 36. The largest increase in the number of organizations took place during 1907, when it grew to 46, and according to the latest data available the number was 52 at the close of 1909. During the 4½ years the membership in these affiliated organizations increased from 6,449 to 12,815. The number of beneficiaries has somewhat more than doubled, but does not show any alarming growth, except for 1907, presumably due to temporary conditions. The number of members receiving benefits in 1906 was 6.6 per cent of the total; in 1907, 12.4 per cent; and in 1908, 9.4 per cent. The average number of days of benefits per member insured varied from 1.4 to 3 days in the different years; while the average number of days of benefits per member receiving benefits fluctuated between 20.8 and 26.2 days. The total amount of benefits was not very great. In 1907, when the amount was the greatest, it was 56,467.58 lire (\$10,898.24), of which about 31 per cent was contributed by the Humanitarian Society and the rest by the labor organizations. The average amount of benefits paid per insured member in 1907 was 91 cents, and in 1908 only 72 cents, while the average amount of compensation paid to members receiving benefits varied from \$6.88 to \$8.25 in the different years. During the 4½ years the average amount of daily benefits was about 32 cents, of which more than two-thirds was contributed by the labor organizations and nearly one-third by the Humanitarian Society.

STATISTICS OF OPERATION OF THE MILAN HUMANITARIAN SOCIETY UNEMPLOYMENT INSURANCE FUND, 1905 TO 1909.

[Source: Bollettino dell' Ufficio del Lavoro, April, 1909, June, 1910. Società Umanitaria, Milano, Disoccupazione, Collocamenti, Sussidi in Milano, nel 1909.]

Year.	Number of affiliated organizations.	Number of members on Dec. 1.	Members receiving benefits.		Number of days for which benefits were paid.	Amount of benefits paid.		
			Number.	Per cent.		By unions.	By Humanitarian Society.	Total.
1905, July-December.	33	8,363	409	5.6	12,317	\$2,776.12	\$1,091.05	\$3,867.17
1906.....	36	8,913	588	6.6	12,242	2,920.52	1,124.76	4,045.28
1907.....	46	11,944	1,477	12.4	36,046	7,489.49	3,408.75	10,898.24
1908.....	49	12,198	1,145	9.4	26,309	6,347.18	2,485.68	8,832.86
1909.....	49	10,931	1,194	9.3	25,090	6,958.83	2,372.42	9,331.25

Year.	Average number of days for which benefits were paid.		Average amount of benefits paid.				Average amount of benefits paid per day.		
	Per member.	Per beneficiary.	Per member.	Per beneficiary.			By unions.	By humanitarian society.	Total.
				By unions.	By humanitarian society.	Total.			
1905, July-December.	1.5	26.2	\$0.46	\$5.92	\$2.33	\$8.25	\$0.22	\$0.09	\$0.31
1906.....	1.4	20.8	.45	4.97	1.91	6.88	.24	.09	.33
1907.....	3.0	24.4	.91	5.07	2.31	7.38	.21	.09	.30
1908.....	2.2	22.9	.72	5.54	2.17	7.71	.24	.10	.34
1909.....	2.1	21.0	.73	5.83	1.99	7.82	.26	.09	.35

The distribution of the number of beneficiaries and of days for which benefits were paid is given in the next table for 1907 and 1908, by causes of unemployment. In 1908 dull season and industrial crises were responsible for over 80 per cent of all days of unemployment. In 1907 more than half of the unemployment was caused by lockouts and shutdowns and discharges in consequence of labor disputes.

NUMBER OF PERSONS COMPENSATED AND NUMBER OF DAYS FOR WHICH BENEFITS WERE PAID BY THE MILAN HUMANITARIAN SOCIETY IN 1907 AND 1908, BY CAUSES OF UNEMPLOYMENT.

[Source: Bollettino dell' Ufficio del Lavoro, May, 1908, and April, 1909.]

Causes of unemployment.	Number receiving benefits.		Days for which benefits were paid.			
	1907.	1908.	1907.		1908.	
			Number.	Per cent of total.	Number.	Per cent of total.
Dull season.....	<sup>a</sup> 652	787	<sup>a</sup> 15,311	42.04	20,368	77.42
Dismissal because of application of new wage scales.	86	63	1,344	3.69	2,007	7.63
Lockouts and shutdowns .....	458	60	12,983	35.64	1,594	6.06
Suspension of work because of strike of other workmen supplying new material.....	15	60	551	1.51	878	3.34
Industrial crises.....	(b)	57	(b)	.....	711	2.70
Discharge subsequent to labor disputes.....	266	94	6,237	17.12	605	2.30
Closing of establishments through bankruptcy.....	(b)	17	(b)	.....	93	.36
Suspension of operation for the purpose of taking stock.....	(b)	7	(b)	.....	50	.19
Total.....	1,477	1,145	<sup>c</sup> 36,428	100.00	26,309	100.00

<sup>a</sup> Including industrial crises, closing of establishments through bankruptcy, and suspension of operation for the purpose of taking stock.  
<sup>b</sup> Included with dull season.  
<sup>c</sup> Including a duplication of 380 days due to benefits being paid by two societies to the same persons.

The main results of the activity of the Milan unemployment insurance funds are shown in the following table by months of the year. The table is interesting mainly in showing the difficulty of drawing any definite conclusions as to the probable unemployment by seasons of the year. In 1905 the greatest amount of unemployment happened in July, August, and September; in 1906, in July and August; in 1907, in August, September, and December; and in 1908, in January.

The table shows that the number of unemployed persons receiving benefits from the Humanitarian Society is often somewhat smaller than that receiving benefits from the labor organizations themselves. Occasions arise when the subsidy of the Humanitarian Society is denied for noncompliance with some of the regulations.

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1929

## UNEMPLOYMENT RELIEF BY THE HUMANITARIAN SOCIETY AND THE TRADE ASSOCIATIONS OF MILAN, BY MONTHS, JULY, 1905, TO AUGUST, 1909.

[Source: Bollettino dell' Ufficio del Lavoro. Some of the totals in this table do not agree with the totals in the following table; the figures are given as shown in the original report.]

Year and month.	Number of persons receiving benefits.		Number of days for which benefits were paid.		Amount of benefits paid by trade associations.		Amount of benefits paid by the Humanitarian Society.	Total amount paid to persons receiving benefits both from trade associations and the Humanitarian Society.
	From trade associations.	From the Humanitarian Society.	By trade associations.	By the Humanitarian Society.	To all unemployed members.	To members receiving benefits from the Humanitarian Society.		
1905.								
July.....	173	160	2,393	2,124	\$487	\$429	\$174	\$603
August.....	203	185	2,992	2,576	761	644	229	873
September.....	222	203	3,401	2,959	812	688	275	963
October.....	124	116	1,466	1,388	315	321	128	449
November.....	119	107	1,364	1,122	288	243	105	348
December.....	138	125	1,692	1,437	407	368	133	501
Total, 6 months.	934	896	13,398	11,636	a 3,072	2,693	1,044	3,737
1906.								
January.....	122	120	1,454	1,418	295	295	127	422
February.....	82	81	908	896	156	156	81	237
March.....	42	40	486	388	90	90	36	126
April.....	53	49	487	417	119	105	38	143
May.....	44	41	497	388	112	99	37	136
June.....	61	60	611	526	129	114	49	163
July.....	134	124	1,499	1,361	319	305	125	430
August.....	161	155	2,044	1,909	444	439	173	612
September.....	103	97	1,483	1,354	319	342	126	468
October.....	81	78	981	896	232	223	86	309
November.....	119	109	1,804	1,490	486	453	140	599
December.....	92	72	1,602	1,197	382	293	107	400
Total.....	1,100	1,026	13,856	a 12,242	3,113	2,920	1,125	4,045
1907.								
January.....	74	71	858	822	179	179	77	256
February.....	78	77	896	990	185	185	85	270
March.....	63	62	744	732	136	136	69	205
April.....	198	192	1,755	1,632	419	412	155	567
May.....	131	120	1,527	1,364	342	325	130	455
June.....	133	126	1,669	1,482	389	357	136	493
July.....	163	144	1,973	1,512	406	363	137	500
August.....	357	344	6,949	6,716	1,096	1,045	635	1,680
September.....	374	358	8,109	7,920	1,147	1,054	756	1,850
October.....	265	242	2,303	1,892	553	452	175	627
November.....	288	274	2,468	2,226	552	506	206	712
December.....	525	498	9,380	8,858	2,549	2,435	848	3,283
Total.....	2,649	2,503	38,631	36,046	7,953	7,489	3,409	10,898
1908.								
January.....	405	405	5,227	5,157	1,274	1,274	434	1,768
February.....	135	135	2,030	2,030	508	508	189	697
March.....	118	118	1,334	1,238	399	300	117	477
April.....	136	130	1,501	1,408	294	264	118	402
May.....	167	155	2,506	2,187	596	519	191	710
June.....	156	150	1,775	1,643	369	347	150	497
July.....	201	201	2,471	2,317	503	417	209	626
August.....	205	194	2,720	2,596	635	601	237	838
September.....	234	216	3,116	2,731	774	693	243	942
October.....	159	136	2,462	2,040	555	417	184	601
November.....	123	159	1,996	1,587	513	402	151	553
December.....	191	170	2,533	2,160	602	510	199	709
Total.....	2,300	2,163	29,671	27,094	7,022	6,338	2,482	8,820

a This total is not the correct sum of the items; the figures are given as shown in the original report.

UNEMPLOYMENT RELIEF BY THE HUMANITARIAN SOCIETY AND THE TRADE ASSOCIATIONS OF MILAN, BY MONTHS, JULY, 1905, TO AUGUST, 1909—Concluded.

Year and month.	Number of persons receiving benefits.		Number of days for which benefits were paid.		Amount of benefits paid by trade associations.		Amount of benefits paid by the Humanitarian Society.	Total amount paid to persons receiving benefits both from trade associations and the Humanitarian Society.
	From trade associations.	From the Humanitarian Society.	By trade associations.	By the Humanitarian Society.	To all unemployed members.	To members receiving benefits from the Humanitarian Society.		
<b>1909.</b>								
January.....	113	113	1,663	1,663	315	315	145	460
February.....	118	118	1,358	1,358	305	305	127	432
March.....	120	118	1,448	1,406	325	319	138	457
April.....	147	146	1,678	1,631	353	348	159	507
May.....	253	252	3,506	3,382	729	715	321	1,036
June.....	178	175	2,291	2,212	609	558	208	766
July.....	371	367	3,961	3,835	1,104	1,078	347	1,425
August.....	177	175	2,516	2,354	948	926	222	1,148
September.....	182	169	2,796	2,296	969	860	221	1,081
October.....	200	185	2,118	1,859	714	629	189	818
November.....	199	172	2,137	1,826	683	615	173	788
December.....	155	148	1,285	1,108	333	291	113	404
<b>Total.....</b>	<b>2,213</b>	<b>2,138</b>	<b>26,757</b>	<b>24,930</b>	<b>7,387</b>	<b>6,959</b>	<b>2,363</b>	<b>9,322</b>

UNEMPLOYMENT BENEFITS, BY TRADE ASSOCIATIONS.

In the tables heretofore given the membership of all the affiliated organizations was taken as a whole. The importance of the question of dependence of employment upon the trade calls for additional information. Data concerning the number of cases of relief, the number of days for which benefits were paid, and the amount of benefits paid are shown for the years 1906 to 1908 separately for each labor organization affiliated with this unemployment insurance system. For purposes of obtaining percentages, the mean between the membership of each union in January and in December has been used for 1906 and 1907. As the average membership for the year was available for 1908, it has been used in preference to the mean membership.

In some instances the number of cases of relief seems large, even exceeding the mean membership in one occupation in 1907. This shows that some members received benefits more than once during the year. In 1906 the number of cases of relief to printers was 36.1 per cent of the mean membership, and for the compositors the percentage was 29.5. In 1907 the number of cases of benefits to glass polishers and workers in white glass was 192.6 per cent of the mean membership. The next highest percentage, 89.6, was for chiselers. In 1908 the highest percentage, 35.4, was for metal forgers. The compositors, printers, and lithographers show comparatively high percentages for each of the three years.

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1931

## UNEMPLOYMENT RELIEF BY THE HUMANITARIAN SOCIETY AND THE TRADE ASSOCIATIONS OF MILAN, BY TRADE ASSOCIATIONS, 1906, 1907, AND 1908.

[Source: Bollettino dell' Ufficio del Lavoro, April, 1907, May, 1908, and April, 1909. Some of the totals in this table do not agree with the totals in the preceding table. The figures are given as shown in the original report.]

Trade associations.	Mem-ber-ship. (a)	Cases of relief by—			Days for which benefits were paid by—			Amount of benefits paid by—			
		Trade asso-ciations.		Hu-man-itarian Soci-ety.	Trade associa-tions.		Hu-man-itarian Soci-ety.	Trade asso-ciations.	Hu-man-itarian Soci-ety.	Total.	
		Num-ber.	Per cent of mem-ber-ship.		Num-ber.	Aver-age per mem-ber.					Aver-age per bene-ficiary.
1906.											
Bronze workers.....	57										
Chiselers.....	66	3	4.5	3	17	0.3	5.7	17	\$4.92	\$1.64	\$6.56
Compositors.....	1,300	383	29.5	370	4,965	3.8	13.0	4,503	1,331.18	409.58	1,740.76
Blacksmiths.....	54										
Metal casters.....	900	26	2.9	26	156	.2	6.0	156	38.50	15.06	53.56
Printers.....	977	353	36.1	323	4,696	4.8	13.3	4,040	770.68	348.57	1,119.25
Instrument makers.....	12										
Bookbinders(b).....	323	14	4.3	14	144	.4	10.3	144	37.64	14.29	51.93
Lithographers.....	463	70	15.1	70	1,080	2.3	15.4	1,080	208.44	104.22	312.66
Ironworkers.....	70	1	1.4	1	6	.1	6.0	6	1.16	.58	1.74
Goldsmiths.....	140	2	1.4	2	18	.1	9.0	18	5.21	1.74	6.95
Mechanics.....	108	7	6.5	7	119	1.1	17.0	119	16.28	10.87	27.15
Polishers and platers.....	205	6	2.9	6	43	.2	7.2	43	8.30	4.15	12.45
Workers in leather.....	82	15	18.3	15	126	1.5	8.4	126	29.38	11.78	41.16
Newspaper dealers and distributors.....	108										
Dyers.....	265	20	7.5	20	184	.7	9.2	184	41.40	17.95	59.35
Metal turners.....	1,075	42	3.9	54	354	.3	8.4	345	74.80	32.81	107.61
Office employees.....	522	19	3.6	19	496	1.0	26.1	496	106.92	47.87	154.79
Women in printing in-dustry.....	166	6	3.6	6	53	.3	8.8	53	4.32	4.32	8.64
Ribbon makers.....	310	5	1.6	5	52	.2	10.4	52	9.98	5.02	15.00
Workers in trimmings.....	18	1	5.6	1	13	.7	13.0	13	2.70	1.26	3.96
Type foundries.....	167	17	10.2	17	147	.9	8.6	147	34.47	14.18	48.65
Hat makers.....	75	6	8.0	6	48	.6	.8	48	2.70	1.35	4.05
Glassworkers.....	74										
Basket makers.....	78										
Typographical union.....	315	52	16.5	50	662	2.1	12.7	644	101.80	31.49	133.29
Bookbinders (b).....	120	5	4.2	5	51	.4	10.2	51	4.92	4.92	9.84
Metal cutters.....	14										
Brasiers.....	31										
Metal forgers.....	55										
Saddlers.....	150	37	24.7	37	302	2.0	8.2	302	72.86	29.14	102.00
Pharmaceutical employees	102	7	6.9	7	104	1.0	14.9	104	10.03	10.04	20.07
Workers in knit goods.....	150										
Gilders.....	116										
Lace workers.....	30	3	10.0	3	20	.7	6.7	20	1.93	1.93	3.86
Upholsterers.....	61										
Horseshoers.....	31										
Total.....	8,790	1,100	12.5	1,055	13,856	1.6	12.6	12,711	2,920.52	1,124.76	4,045.28

a For 1906 and 1907 the mean membership is given; for 1908 the average for the year is used.

b The two lines for bookbinders represent two different organizations.

c Including a duplication of 29 cases, due to the payment of benefits by three different organizations of printers to the same persons. This total is not the correct sum of the items; the figures are given as shown in the original report.

d Including a duplication of 469 days due to benefits being paid by the typographical union, the compositors' union, and the printers' union to the same persons.



UNEMPLOYMENT RELIEF BY THE HUMANITARIAN SOCIETY AND THE TRADE ASSOCIATIONS OF MILAN, BY TRADE ASSOCIATIONS, 1906, 1907, AND 1908—Continued.

Trade associations.	Mem-ber-ship. (a)	Cases of relief by—			Days for which benefits were paid by—				Amount of benefits paid by—		
		Trade asso-ciations.		Hu-man-itarian Soci-ety.	Trade associa-tions.			Hu-man-itarian Soci-ety.	Trade associations.	Hu-man-itarian Soci-ety.	Total.
		Num-ber.	Per cent of mem-ber-ship.		Num-ber.	Aver-age per mem-ber.	Aver-age per bene-ficiary.				
1907.											
Bronze workers.....	182	121	66.5	121	1,987	10.9	16.4	1,987	\$565.49	\$191.70	\$757.19
Chiselers.....	77	69	89.6	69	1,116	14.5	16.2	1,116	321.93	107.69	429.62
Compositors.....	1,450	576	39.7	532	6,716	4.6	11.7	5,869	1,532.58	536.05	2,068.63
Blacksmiths.....	35										
Metal casters.....	800	79	9.9	79	965	1.2	12.2	965	258.43	88.51	346.94
Printers.....	1,015	468	46.1	399	5,970	5.9	12.8	4,717	1,011.98	434.55	1,446.53
Bookbinders(b).....	514	31	6.0	31	248	.5	8.0	248	67.10	24.00	91.10
Lithographers.....	546	147	26.9	146	2,036	3.7	13.9	2,024	514.63	195.90	710.53
Ironworkers.....	150	5	3.3	5	84	.6	16.8	84	16.21	8.11	24.32
Goldsmiths.....	120	5	4.2	5	71	.6	14.2	71	8.59	6.85	15.44
Mechanics.....	103	7	6.8	7	90	.9	12.9	90	17.37	8.68	26.05
Polishers and platers.....	208	21	10.1	21	204	1.0	9.7	204	39.37	19.69	59.06
Workers in leather.....	78	9	11.5	9	65	.8	7.2	65	14.67	6.27	20.94
Newspaper dealers and distributors.....	111	2	1.8	2	72	.6	36.0	72	13.90	6.94	20.84
Dyers.....	344	6	1.7	6	67	.2	11.2	67	15.13	6.46	21.59
Metal turners.....	858	186	21.7	186	1,587	1.8	8.5	1,587	423.91	152.68	576.59
Office employees.....	599	20	3.3	19	452	.8	22.6	397	91.19	38.31	129.50
Women in printing industry.....	325	20	6.2	20	226	.7	11.3	226	20.55	20.46	41.01
Ribbon makers.....	279	109	39.1	109	585	2.1	5.4	585	123.82	56.05	179.87
Workers in trimmings.....	136	2	1.5	2	44	.3	22.0	44	8.49	4.25	12.74
Type founders.....	191	9	4.7	9	56	.3	6.2	56	16.35	6.08	22.43
Hat makers.....	99	15	15.2	15	318	3.2	21.2	318	52.79	20.84	73.63
Glassworkers.....	133	3	2.3	3	29	.2	9.7	29	5.60	2.80	8.40
Basket makers.....	88										
Typographical union.....	325	50	15.4	49	817	2.5	16.3	779	103.91	36.93	140.84
Bookbinders(b).....	98	12	12.2	12	117	1.2	9.8	117	11.87	11.29	23.16
Metal cutters.....	14										
Brasiers.....	30										
Metal forgers.....	70	2	2.9	2	11	.2	5.5	11	1.93	1.06	2.99
Saddlers.....	125	2	1.6	2	54	.4	27.0	54	11.00	5.21	16.21
Chemical workers.....	123	27	22.0	27	151	1.2	5.6	151	20.26	14.48	34.74
Workers in knit goods.....	150										
Gilders.....	162	1	.6	1	18	.1	18.0	18	2.60	1.22	3.82
Upholsterers.....	72										
Glass decorators.....	c 38										
Employees of cooperative societies.....	c 193										
Horseshoers.....	100										
Comb makers.....	c 40										
Photo-engravers.....	c 80	1	d 1.3	1	24	d 3	24.0	24	3.24	1.16	4.40
Loom turners.....	c 290	199	d 68.6	199	2,997	d 10.3	15.1	2,997	817.84	289.21	1,107.05
Glove makers.....	c 169										
Glass polishers.....	c 30	443	d 192.6	443	11,430	d 49.7	25.8	11,430	1,372.71	1,103.00	2,475.71
Workers in white glass.....	c 200										
Soap and perfume makers.....	c 72										
Helpers in printing shops.....	c 88	2	d 2.3	2	24	d 3	12.0	24	4.05	2.32	6.37
Stereotypers.....	c 74										
Total.....		2,649		2,533	38,631		14.6	36,426	7,489.49	3,408.75	10,898.24

a For 1906 and 1907 the mean membership is given; for 1908 the average for the year is used.

b The two lines for bookbinders represent two different organizations.

c Membership at end of year.

d Based on membership at end of year.

e Including a duplication of 25 cases due to benefits being paid by two societies to the same persons.

f Including a duplication of 380 days due to benefits being paid by two societies to the same persons.

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1933

## UNEMPLOYMENT RELIEF BY THE HUMANITARIAN SOCIETY AND THE TRADE ASSOCIATIONS OF MILAN, BY TRADE ASSOCIATIONS, 1906, 1907, AND 1908—Concluded.

Trade associations.	Mem-ber-ship. (a)	Cases of relief by—			Days for which benefits were paid by—				Amount of benefits paid by—		
		Trade asso-ciations.		Hu-man-ita-rian Soci-ety.	Trade associa-tions.			Hu-man-itar-ian Soci-ety.	Trade associa-tions.	Hu-man-itar-ian Soci-ety.	Total.
		Num-ber.	Per cent of mem-ber-ship.		Num-ber.	Aver-age per mem-ber.	Aver-age per bene-fici-ary.				
1908.											
Printing trades:											
Compositors.....	1,484	238	16.04	(b)	9,929	6.6	34.9	8,327	2,037.80	731.55	2,769.35
Printers.....	1,061	200	19.03	(b)	4,735	4.5	21.5	4,312	806.66	388.50	1,195.16
Bookbinders (c).....	515	31	6.02	(b)	968	1.9	31.2	968	254.08	94.09	348.17
Lithographers.....	544	92	16.91	(b)	3,304	6.1	35.9	2,954	785.32	285.06	1,070.38
Women in the print-ing industry.....	415	54	13.01	(b)	1,321	3.2	24.5	1,321	141.14	127.48	268.62
Stereotypers.....	72			(b)							
Photo-engravers.....	63			(b)							
Type founders.....	175	24	13.71	(b)	385	2.2	16.0	385	92.16	37.07	129.23
Newspaper employees	122			(b)							
Printing-shop helpers.	96	3	3.13	(b)	65	.7	21.7	65	6.27	6.27	12.54
Printers' Institute....	320	62	19.38	(b)	833	2.6	13.4	833	166.07	42.78	208.85
Bookbinders (c).....	120	10	8.33	(b)	50	.4	5.0	50	7.34	5.40	12.74
Metallurgy:											
Bronze workers.....	237	40	20.68	(b)	376	1.6	7.7	370	103.74	35.61	139.35
Blacksmiths.....	210			(b)							
Metal founders.....	550	81	14.73	(b)	2,081	3.8	23.3	1,885	647.24	211.98	859.22
Ironworkers.....	390	9	2.31	(b)	95	.2	10.6	95	18.33	9.17	27.50
Polishers and platers.	284	30	12.68	(b)	391	1.4	10.9	391	75.46	37.73	113.19
Metal turners.....	502	33	6.57	(b)	750	1.5	22.7	750	192.03	70.64	262.61
Brasiers.....	24			(b)							
Metal forgers.....	79	28	35.44	(b)	138	1.7	4.9	138	38.98	13.32	52.30
Stone turners.....	267	55	20.60	(b)	353	1.3	6.4	353	101.62	34.06	135.68
Metal beaters.....	85			(b)							
Industries of precision:											
Chiselers.....	87	18	20.69	(b)	222	2.6	12.3	222	33.58	21.43	55.01
Workers in fine me- chanical work.....	70			(b)							
Metal cutters.....	17			(b)							
Gold beaters.....	50			(b)							
Jewelers.....	111	1	.90	(b)	36	.3	36.0	36	10.42	3.48	13.90
Textiles:											
Weavers.....	1,130	34	3.00	(b)	764	.7	22.5	764	181.18	73.73	254.91
Ribbon makers.....	402	11	2.74	(b)	92	.2	8.4	92	16.08	8.44	24.52
Trimming makers....	219	4	1.83	(b)	49	.2	12.3	49	9.55	4.73	14.28
Dyers and stampers..	424	40	11.56	(b)	747	1.8	15.2	747	210.33	72.18	282.51
Upholsterers.....	70			(b)							
Glass:											
Glassworkers.....	250	9	3.60	(b)	245	1.0	27.2	245	70.93	23.06	93.99
Glass fitters.....	148	1	.68	(b)	12		12.0	12	2.31	1.16	3.47
Glass decorators.....	38			(b)							
Leather:											
Workers in leather....	82	12	14.63	(b)	214	2.6	17.8	214	58.58	20.84	79.42
Glove makers.....	105	12	11.43	(b)	299	2.8	24.9	299	49.22	24.39	73.61
Saddlers.....	103	2	1.94	(b)	66	.6	33.0	66	19.11	6.37	25.48
Chemical industry:											
Chemical workers....	150	8	5.33	(b)	46	.3	5.8	46	8.11	4.44	12.55
Soap and perfumery workers.....	70			(b)							
Various industries:											
Hat makers.....	131	15	11.45	(b)	500	3.8	33.3	500	64.94	28.81	93.75
Basket makers.....	90			(b)							
Comb makers.....	26	3	11.54	(b)	133	5.1	44.3	133	25.67	12.83	38.50
Gilders and varnishers	250	1	.40	(b)	18		18.0	18	2.41	1.22	3.63
Paper hangers.....	124	4	3.23	(b)	30	.2	7.5	30	5.80	2.89	8.69
Carriage makers.....	50			(b)							
Office employees, etc.:											
Employees' union....	487	9	1.85	(b)	294	.6	32.7	294	62.53	28.37	90.90
Commercial employ- ees.....	160			(b)							
Employees of coop- erative stores.....	199	8	4.02	(b)	172	.9	21.5	172	33.19	16.60	49.79
Total.....	12,648	1,206	9.54	(b)	29,713	2.3	22.5	27,136	6,347.18	2,485.68	8,832.86

\* For 1906 and 1907 the mean membership is given; for 1908 the average for the year is used.  
 † Not reported.  
 ‡ The two lines for bookbinders represent different organizations.

## PROPOSED GOVERNMENTAL UNEMPLOYMENT INSURANCE.

On June 16, 1910, a bill was introduced in the Chamber of Deputies by the minister of the interior for the organization of a system of state insurance against unemployment, on the Ghent plan. The bill proposed only the first steps in that direction, through an appropriation of 100,000 lire (\$19,300) to be used in subsidizing workmen's unemployment insurance organizations.

In a comprehensive report accompanying this bill the general problem of unemployment was discussed and the various methods of relief suggested were compared.

The bill, which is very brief, proposes the appropriation of 100,000 lire (\$19,300) for the fiscal year 1910-11, to be administered by the minister of agriculture, industry, and commerce for the purpose of granting subsidies to labor organizations which grant unemployment relief. Only the following few requirements are specified in the bill: (1) That the unemployment relief granted by these organizations be based entirely, or at least partly, upon the principle of saving, i. e., that the organizations should not be purely charitable and should receive a part or the whole of their revenues from membership contributions. (2) That a definite length of membership be required before relief is granted, so that workmen would not join these organizations only at the time when relief is needed. (3) That the subsidized persons be able-bodied workmen. This, according to the memorandum accompanying the bill, is intended to exclude the sick, the injured, the aged, the invalid, and women after childbirth, for all of which groups special provision either exists already or is contemplated, and should be made upon very different principles. (4) That only persons unemployed against their will be permitted to get relief; this is to exclude: Strikers, as the State can not grant strike benefits under the principle of state neutrality in industrial conflicts; persons voluntarily leaving their employment for any reasons whatsoever; shirkers, who for any reason do not care to make the necessary effort to obtain or retain employment, or persons discharged for some fault. (5) Finally, that the state subsidy be not granted to persons in seasonal trades during the period of such seasonal unemployment.

The details of administration of this act are not prescribed in the bill, but left to an administrative regulation to be issued by royal decree, after consultation with the superior council of labor and the council of providence.

The bill was passed by the Chamber of Deputies almost without discussion. In the Senate it was referred to the central committee, which brought in an unfavorable report on July 7, 1910.<sup>(a)</sup>

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<sup>a</sup> Bollettino dell' Ufficio del Lavoro, Vol. XV, January, 1911.

## RAILROAD PENSION AND MUTUAL AID INSTITUTIONS.

## INTRODUCTION.

The most important example of compulsory old-age and invalidity insurance in Italy is furnished by the State Railroad Employees' Pension and Aid System (*Il servizio delle pensioni e dei sussidi*), now regulated by the law of July 9, 1908, and the royal decree of April 22, 1909, codifying this law, together with various preceding decrees. But though the legislation above mentioned is of recent origin, various provisions and institutions for pensions and mutual aid have existed in the Italian railroads for nearly 50 years. The present system is a direct outgrowth of these earlier beginnings. It follows these to a very great extent, and can not be understood without a historical account of their origin and development.

The growth of the Italian railroad system did not assume any considerable proportion until toward the end of the eighties, as appears from the following statement:

	Miles.
December 31, 1871.....	3,962
December 31, 1880.....	5,414
December 31, 1890.....	8,170
December 31, 1900.....	9,870
June 30, 1907.....	10,711

Since 1885 a very large proportion of the Italian railroad mileage has been owned by the State, as is shown by the following data, referring to June 30, 1907:

Railroads owned by—	Miles.
The State.....	8,254
Private companies.....	2,352
Jointly by the State and private companies.....	105
Total.....	10,711

While the Italian railroad mileage equaled only 4.5 per cent of the American system on the same date, the personnel of the Italian service is larger than the above proportion of mileage would indicate. Unfortunately, for the entire Italian railroad system, no data later than for 1903 are available, but for the state-operated railroads, the number of employees on June 30, 1906, was 118,815, and on June 30, 1907, 134,611, so that the total number of employees must exceed 150,000. The total number of employees for 1891 to 1903, and the total and average remuneration, including the entire contribution by the railroads for the benefit of the employees, are shown in the table following:

For the year 1903 detailed information is given for the three main railroad systems and for other railroads existing in that year. This shows that three large railroad systems, which included in 1903 7,960 miles, or less than 75 per cent, claimed over 90 per cent of the

employees. The salaries were considerably higher on these three roads than for the smaller roads, and the total contributions for the benefit of the employees of the smaller roads were very small, since these smaller roads do not have any organized provident institutions.

NUMBER OF EMPLOYEES, SALARIES, AND CONTRIBUTIONS OF RAILROADS TO BENEFIT INSTITUTIONS, 1891 TO 1903.

[Source: *Annuario Statistico Italiano*, 1905-1907. Vol. II.]

Year.	Number of employees.	Salaries paid.		Contributions of railroads to benefit institutions.			Total salaries and contributions to benefit institutions.	
		Amount.	Average per employee.	Amount.	Per cent of salary.	Average per employee.	Amount.	Average per employee.
1891.....	90	\$22,262,387	\$226.75	\$813,468	3.65	\$8.29	\$23,075,855	\$255.04
1892.....	73	21,845,473	228.21	833,844	3.82	8.63	22,679,317	234.84
1893.....	73	21,907,168	226.14	839,152	3.81	8.66	22,746,320	234.80
1894.....	24	22,054,067	227.54	828,713	3.75	8.55	22,882,800	236.09
1895.....	50	22,454,024	240.02	849,537	3.78	9.08	23,303,561	249.10
1896.....	61	22,816,100	235.70	839,318	3.68	8.67	23,655,418	244.37
1897.....	65	23,529,483	238.11	872,808	3.71	8.64	24,402,291	241.45
1898.....	10	23,452,256	231.95	866,735	3.69	8.57	24,318,991	240.52
1899.....	71	24,020,649	235.79	865,665	3.60	8.50	24,886,314	244.29
1900.....	72	24,726,268	234.65	1,007,209	4.07	9.56	25,733,477	244.22
1901.....	90	25,522,854	238.11	996,422	3.90	9.17	26,519,276	243.99
1902.....	71	26,548,146	238.59	1,340,459	5.05	12.05	27,888,605	250.64
1903.....								
Mediterranean railroad.....	52,500	13,338,735	254.07	617,048	4.63	11.75	13,955,783	266.82
Adriatic railroad.....	44,437	11,087,208	249.39	715,309	6.45	16.10	11,797,607	265.49
Sicilian railroad.....	6,460	1,432,119	221.71	78,683	5.49	11.11	1,510,801	233.87
Total.....	103,397	25,853,152	250.04	1,411,039	5.46	13.65	27,264,191	263.68
All other.....	9,297	1,710,631	184.00	40,563	2.37	4.37	1,751,213	188.36
Grand total, 1903....	112,694	27,563,783	244.59	1,451,602	5.27	12.88	29,015,394	257.47

Since 1905 the Italian Government has operated not only all the railroads it owns, but also some which are the property of private owners. Of the entire railroad net of 10,711 miles on June 30, 1907, 8,699 miles, or over four-fifths, were operated by the State and only 2,012 miles by private companies.

ORGANIZATION OF PROVIDENT INSTITUTIONS.

In 1885, before the nationalization of most Italian railroads took place, there existed in Italy four large railroad systems: The Upper Italian (*Ferrovie Alta Italia*), the Southern (*Ferrovie Meridionali*), the Roman (*Ferrovie Romane*), and the Calabrian Sicilian (*Ferrovie Calabro-Sicule*).

Within the 20 years, 1860 to 1880, pension funds and mutual aid associations were organized for each one of these four railroad systems as follows:

DATE OF ORGANIZATION OF RAILROAD PENSION FUNDS AND MUTUAL AID SOCIETIES.

[Furnished by the director of the Office of Social Insurance, Rome.]

Pension funds.	Date of organization.	Mutual aid societies.	Date of organization.
Alta Italia.....	Jan. 1, 1862	Meridionali.....	July 1, 1869
Meridionali.....	July 1, 1869	Alta Italia.....	Jan. 1, 1870
Romane.....	Jan. 1, 1871	Romane.....	Jan. 1, 1879
Calabro-Sicule.....	Jan. 1, 1880	Calabro-Sicule.....	Feb. 1, 1880

While there were certain differences between the respective funds of the different railroads, such as relating to the amount of contributions, pensions, subsidies, conditions of membership, etc., yet these two groups of funds belonged to two well-defined types. The purpose of the pension funds was to grant pensions (annuities) to the employees for old-age and ordinary invalidity, exceptional (increased) pensions for invalidity due to some injury sustained in service, pensions to widows and orphans, and lump-sum benefits to the members or their families in case all the requirements for pensions were not complied with.

The mutual aid society rather belonged to the type of sick benefit funds. Their purpose included medical care and treatment, cost of medicines and appliances, sick benefits, funeral benefits, but also invalidity pensions in case of complete disability, and small lump-sum death benefits. The two different forms of mutual provision were shaped to the needs of the two classes of employees. The higher grades of employees held membership in the pension funds, while those of the lower grades were inscribed in the mutual aid societies, in which both contributions and benefits were lower, but which also provided a system of sick insurance, for which a greater need is felt among the lower grades of employees.

The funds of the Upper Italian Railway presented an important exception to the rule in that most of its employees belonged both to the pension fund and to the mutual benefit society.

In all funds and societies membership was compulsory for all permanently employed, and all these funds and societies were subsidized by the railroad companies to a considerable extent.

In August, 1875, the upper Italian railroad system, the largest of the four, was purchased by the Government, and as the movement for the government ownership of the railroads gained headway during the following 10 years, the Italian Government acquired ownership of most Italian railroads by the law of April 27, 1885. The entire network of government railroads was divided into three sys-



tems, the Mediterranean and the Adriatic systems on the mainland, and the Sicilian system on the island, and these three systems were leased for operation to three private corporations for 60 years with reserved right to cancel the leases after 20 years.

#### REORGANIZATION OF PROVIDENT INSTITUTIONS.

In accordance with this reorganization of the railroads, a corresponding reorganization of the pension funds and benefit societies was thought necessary and was ordered by the law of April 27, 1885,<sup>(a)</sup> which required a pension fund and a mutual benefit society for each of the three new operating companies, and uniform constitutions and by-laws for these funds and societies. The reorganization was not effected without some delay, provisional uniform constitutions going into effect on January 1, 1890. The essential feature of both the pension and the mutual benefit funds was their mutual character, combined with the absence of strict actuarial rules. The contributions made by and for the many members were paid into a common fund, from which payments of pensions and benefits were made, and the amounts of pensions and benefits were dependent upon the length of service and the salary toward the end of the service rather than the amounts paid in by the member. Under such circumstances difficulties were bound to arise as soon as obligations began to mature.

The balance sheets began to show large deficits and a law was passed by the Parliament and approved on August 15, 1897, which ordered a reorganization of the funds.<sup>(b)</sup> This act ordered that the activity of the existing pension funds and mutual benefit societies be limited to persons in service on December 31, 1896, and that for employees entering the railroad service since January 1, 1897, new provident institutions be organized not later than January 1, 1898. By this act the Government was also ordered to introduce, within six months, a bill into Parliament for the better regulation of the existing railroad pension funds and mutual benefit societies.

Meanwhile, to counteract the effect of the deficits of the pension funds and the mutual benefit societies, the Government was forced to establish by this act a small surtax upon passenger and freight rates for the benefit of the funds, as follows: For through trains, 5 per cent upon passenger tickets for distances over 20 but under 30 kilometers (over 12.4 but under 18.6 miles), and 10 per cent for distances of 30 kilometers (18.6 miles) and over, and for mixed and accommodation trains 1 per cent for all distances over 20 miles, and for the freight

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<sup>a</sup> Raccolta Ufficiale delle Leggi e dei Decreti del Regno d' Italia, 1885, vol. 75.

<sup>b</sup> Raccolta Ufficiale delle Leggi e dei Decreti del Regno d' Italia, 1897, vol. 3, p. 2544.

rate a surcharge of 10 centesimi (1.9 cents) per ton for each loading or unloading. These provisions of the law were ordered to go into effect three months after publication (August 26, 1897) for internal communication and commerce, and five months after publication for international communication and commerce, to remain in force only until December 31, 1898; but to be abolished after six months if within that time the Government should fail to introduce a bill for the regulation of the existing pension institutions. It was found necessary subsequently to extend the action of this special surtax by repeated enactments to March 31, 1900.<sup>(a)</sup>

The law of March 29, 1900,<sup>(b)</sup> which established definite legislation concerning the old as well as the new provident institutions, substituted other more or less permanent sources of revenue for the covering of old deficits. The conditions of the act of 1897 were complied with, and on March 29, 1900, the law creating the new provident institutions, establishing certain new regulations for the existing pension funds and mutual benefit societies, and providing for new sources of revenue to cover old deficits, was finally approved by the Crown.

The minister of public works was ordered to ascertain, within one year, the amounts of deficits of the pension funds and mutual benefit societies of the four large railroad systems on June 30, 1885, according to all obligations assumed and also the deficits of the existing three funds and societies on the date of the adoption of the new constitutions, the old deficits to be made good by the State, while the new deficits were to be met by the operating societies according to the law of August 15, 1897. To meet these old deficits of June 30, 1885, the following new taxes were created by the law for the government railroads operated by the three corporations. An increase of the surtax upon fast freight rates from 13 to 16 per cent, and upon slow freight rates from 2 to 3 per cent. The tax was ordered to go into effect on May 1, 1900 (for international trade five months later). The proceeds were required to be deposited with the State Loan and Deposit Bank, to be distributed among the existing funds and societies according to the same rules which were applicable to the redistribution of the assets of the old pension funds and mutual benefit societies among the new ones organized in 1885.

The new regulations for pension funds and mutual benefit societies will be discussed more fully in connection with a detailed analysis of the constitutions. Briefly, they conferred the right to a pension at the age of 60 and after 30 years of membership for sedentary

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<sup>a</sup> *Raccolta Ufficiale delle Leggi e dei Decreti del Regno d'Italia*, 1898, vol. 3, p. 2796; *ibid.*, 1899, vol. 2, p. 1240; *ibid.*, 1899, vol. 2, p. 1730; *ibid.*, 1899, vol. 3, p. 3045.

<sup>b</sup> *Raccolta Ufficiale delle Leggi e dei Decreti del Regno d'Italia*, 1900, vol. 1, p. 670.

occupations, and at the age of 55, after 25 years of membership, for active occupations; invalidity pensions after 10 years of membership, this qualification being waived in case of invalidity due to injury; and regulated the pensions of widows and orphans. Concerning the mutual benefit societies, the main provisions which the law established were the prohibition of pensions to survivors of members and the prohibition of any sick benefits during the first five days of illness.

The organization of a commission, including representatives of the Government, the railroads, and the members of these institutions, was ordered for the preparation of new constitutions, to be uniform for all pension funds and for all mutual benefit societies, this commission to determine the necessary revenues to correspond to the assumed obligations. The law also required that at the expiration of a period of the contract for operation of the railways a technical balance be struck and the ascertained amount of deficit be charged to the operating society.

Regulations for the new provident institutions form the main part of the law of March 29, 1900. Such institutions were ordered to be organized within six months after the promulgation of the law, to include all employees who entered railway service after January 1, 1897. The essential difference between the new provident institutions and the old funds and societies is the introduction of the system of individual accounts. Two sections were organized in each provident institution, one corresponding to the pension fund and the other to the mutual benefit society. The membership in the first section was compulsory to employees receiving annual or monthly salaries; in the second section, to employees paid a daily wage. The sources of revenue—i. e., the contributions of the members and of the railroad companies and the subsidiary sources—were practically the same for the two sections, but the main revenues were credited to individual accounts, which were to form the basis of the pensions or lump sum-benefits, while the other revenues were paid into a collective fund and were to be used for special increased pensions, etc. The second section, similar to the mutual benefit society, also renders medical and pharmaceutical service and grants sick benefits to its members. The constitutions of these provident institutions were approved by the royal decree of January 31, 1901.

The constitutions of all these three sets of institutions were modified several times during the last decade, though the modifications were slight. As the laws of 1897 and 1900, besides requiring the organization of the new provident institutions, also established certain new conditions of administration for the old existing institutions, namely, the participation of the members in the administration hitherto entirely left to the railroad companies, and also a certain

degree of governmental control, new constitutions embodying these changes were approved by the royal decree of August 2, 1902.

As the private operation of the railroads proved unsatisfactory, the Italian Government decided to take advantage of the twenty-year clause in the lease, and the operation of the main railroad system was assumed on July 1, 1906, in conformance with the law of April 22, 1905. New constitutions embodying only minor changes were approved by royal decree of March 17, 1907, for the pension funds and mutual benefits societies, as well as for the new provident institutions. By these acts the new and the old institutions were made more nearly uniform.

It soon developed, moreover, that in view of the consolidation of the railroads under the unified administration by the State, there was no necessity for three separate institutions of each of the three groups, and one week after the new constitutions were approved, the law of March 24, 1907, ordered their consolidation into one pension fund, one mutual benefit society, and one provident institution. Constitutions of these three unified institutions were approved by the royal decree of May 23, 1907.

The entire system was radically changed by the law of July 9, 1908, which aimed to reduce the differences of treatment of employees of different groups. The law prescribed a unified system of pensioning, which was worked out in a codification of the law with some of the provisions in the constitutions of the three consolidated institutions, published by royal decree of April 22, 1909. According to this law the three institutions ceased to exist on December 31, 1908, and the new system was introduced on January 1, 1909.

#### STATE RAILROAD PENSION FUND.

This institution is the most important of the three because the principles of its organization were closely followed in elaborating the details of the existing pension system, in which the membership of all the three institutions was merged.

The purpose and scope of the pension fund was the granting of old-age and invalidity pensions to its members, pensions to widows and orphans of deceased members, lump-sum benefits to members or widows and orphans in cases in which a right to a pension had not been acquired, and in addition the fund assumed the administration of accident insurance in compliance with the general laws governing such insurance.

The fund was specially designed for the employees of the state railway system; within that system is included the actual operating force and the clerical force, but not the working force of the railroad shops.

Membership in the fund was restricted to such persons as held membership in one of the three pension funds on December 31, 1896,

including, as was explained above, mainly salaried employees and such persons who were on that date members of a mutual benefit society and later became entitled to membership in the pension fund by promotion to a higher position.

The pension fund took care of ordinary superannuation, as well as of ordinary invalidity at an early age, providing special benefits for invalidity due to occupational diseases or to miasmatic fevers; it granted pensions to survivors in case of death of either a member or a pensioner.

Regular superannuation pensions were payable to members who retired from the service, either by their own request or by the decision of the administration, after attaining 60 years of age and after 30 years of membership in the fund, in case of sedentary occupations, or after attaining 55 years of age and after 25 years of membership in case of so-called active occupations, which include in general the train service, yard service, and station service. Employees of either group may demand a pension at the age of 55 and after 25 years of membership, provided they have had 15 years of actual service.

Invalidity pensions were payable at any age, when such invalidity had been established, provided it was preceded by 10 years of membership in the fund. This condition was waived when invalidity was due to an injury or other lesion acquired through the service, or to some miasmatic fever, caught in consequence of the service in an infected locality.

If members of 10 years standing were separated from the service by the railroad administration without any fault of their own, they may be permitted by the administration of the fund to retain their membership in the fund, contributing according to the last salary, the railroad making the regular 8 per cent contribution. In such cases families retain the same rights as if the person had been in the service.

In addition to the pensions to members, pensions were paid to widows and children of deceased members or pensioners as explained below.

#### BENEFITS.

As was pointed out above, the chief characteristic of these pension funds was the absence of any strict dependence between a member's accumulated contributions and his pensions.

Normal pensions, which may be termed plain superannuation pensions, were liquidated on a basis of 3 per cent of the accumulated earnings of the members from whom deductions were made, to which are added one-twelfth of each increase in salary during the time. The actual annual pension was equal to nine-tenths of this computed amount, with a minimum of 300 lire (\$57.90) and a maximum of 8,000 lire (\$1,544). This, in case of a complete 25 years' membership,



would give a pension of over 75 per cent of the average annual salary. In case of premature invalidity due to some injury or disease received in the service, or to a miasmatic fever, the pension fund was even more liberal. In such cases the pension was computed on a basis of 25 years of membership, no matter how long or short it actually was, and for such purposes the last year's salary was assumed for all missing years.

The amount of pensions to widows and orphans depended upon the amount of the pension which the deceased member was receiving, or to which he would have been entitled if he had left the service on the day of his death.

The amounts of these pensions were proportionately very high, namely, 50 per cent of the original pension if the widow alone survived; 65 per cent if she had any minor children; if in addition minor children of the deceased by a previous marriage survived, the 65 per cent was divided among all the survivors, giving the widow two shares, and not less than 25 per cent. The widow's pension was paid until remarriage, and the children's pension until they were of age, or in case of female children until marriage, if that took place before they became of age.

If a member of the fund was forced to give up his position, either because of invalidity or of the abolition of his position before he had acquired the right to a pension, he received a benefit in the nature of one payment equal to 3 per cent of his total salary. A proportionate amount according to the pension regulations was granted to the widow and children of a deceased member who died before acquiring the right to a pension. If minor children, but no widow, survived, they received 50 per cent of the computed amount divided equally among all those surviving or still entitled to a pension because of their minority. If only one minor child remained he received 25 per cent of the computed amount.

Thus, with a few minor exceptions, the pension fund provided very high pensions for those who reached the superannuation age and for invalids of the service.

But in view of the fact that the pension system was a contributory one (the contributions being very high as will appear in the following section) it seemed to be somewhat of a drawback that the pension rights were lost altogether by resignation or dismissal from the service, except in the cases of persons in the employ of railroads subsequently acquired by the State, who lost their position at the time of the purchase of that road, and who might retain membership in the pension fund.

The loss of the right to a pension because of resignation carried with it a corresponding total loss to the widow and children, while in



case of dismissal the wife and minor children were treated under the same rules as in case of death of the employee.

While all invalidity, whether or not due to industrial accidents, gave the right to a pension, a certain number of the employees insured in the fund come under the provisions of the accident compensation law, and therefore special provisions were included in the constitution for the purpose of adjusting these two rights and preventing double compensation for accidents. In general these provisions may be summarized as follows: That in so far as the railroad administration had not otherwise provided for their accident insurance, the pension fund acted as the agent of the railroad administration for payment of compensation; of the two amounts, that due to him as a member of the pension fund and that due under the accident compensation law, the larger was paid to the injured employee or to his survivors, the distribution being made according to the provisions of the accident law; on the other hand the railroad administration was required to pay to the pension fund the amount of compensation due under the accident law.

#### SOURCES OF INCOME.

All of the assets of the three pension funds were transferred to the State Railroad Pension Fund. The current revenues of the fund may be divided into three main groups: (a) The periodical contributions of the members; (b) the periodical contributions of the railroad administration as an employer; and (c) a special source of income created by the law of March 29, 1900. The contributions paid by the private operating companies before the assumption of the railroad business by the Government were then made by the State, but as before from the operating accounts.

In addition, donations and legacies might be received by the fund, and the income from investments of the funds on hand were added to the revenue.

Under the constitutions of January 1, 1890, for the three individual pension funds monthly deductions of 4.5 per cent were made from the salaries and other accessory payments made to the employees. By the constitution of 1902 these were increased to 5.5 per cent on October 21, 1902. In case of an increase of the annual salary, one-twelfth of the increase was retained during the first month after the increase went into effect. In other words, the actual increase of the salary was retained for one month.

If the salary was reduced because of suspension, leave, sickness, or transfer to a waiting list, the deductions were made as if no such decrease of salary had taken place. If the salary was entirely discontinued for a time, the employee must make the deferred payments on return to the active service.

From January 1, 1890, until October 21, 1902, the railroad administration paid to the pension fund 5 per cent, and since that date 8 per cent, of the salaries subject to the deductions, and in case of a promotion one-twelfth of the increase in the annual salary.

In case of temporary reduction or discontinuance of the salary the administration met its obligations at the same time that the employee did.

A special source of income was created for the fund by the law of March 29, 1900, act 3, in turning into the fund the proceeds of the sale of tickets of admission to railroad stations.

#### ADMINISTRATION.

The pension fund was intrusted to an administrative committee of 12 members, of whom 6 were nominated by the state railroad administration and 3 were selected by the members in active service. Of these 9 members all but one of the administration's representatives must be employees in active service. The other 3 members were required to be representatives of other governmental departments, one of the Ministry of Agriculture, Industry, and Commerce and the other two financial experts from the Ministry of the Treasury. Several other high officials were mentioned as consultative members of the committee.

The committee elected its own president, vice-president, and secretary, who were not to be the above-mentioned representatives of government departments. Various provisions were contained in the constitution concerning the investment of the funds and the auditing and reporting of the financial affairs. The entire cost of the administration was assumed by the railroad administration.

#### STATISTICS.

**MEMBERSHIP.**—The movement in the membership and the number of pensioners in all the three funds is shown in the following table. The rapid decline in the membership since 1897 is easily explained by the organization of the new provident institutes. But even before that the membership appeared to be decreasing, though, as was shown in the table on page 1936, the number of employees of the Italian railroads was growing. But it seems to have been the policy to increase the number of temporary appointees rather than of permanent employees. Thus while the number of permanent employees has actually decreased within the decade 1891 to 1901 from 89,723 to 88,995, the number of temporary employees increased from 8,457 to 19,695.

With the practical closing of the pension funds to new members, the proportion of pensioners to members rapidly increased. In 1890 there were 16.5 pensioners for each 100 members, and in 1907, 67.5 pensioners per 100.

AVERAGE ANNUAL NUMBER OF MEMBERS AND PENSIONERS IN THE THREE RAILROAD PENSION FUNDS.

[Source: Ferrovie dello Stato, Rapporto sulle Operazioni e sulle Stato Economico delle Cessate Casse Pensioni per l'anno 1907.]

Year.	Adriatic fund.		Mediterranean fund.		Sicilian fund.		Total of the funds.	
	Average number of mem- bers.	Average number of pen- sioners.	Average number of mem- bers.	Average number of pen- sioners.	Average number of mem- bers.	Average number of pen- sioners.	Average number of mem- bers.	Average number of pen- sioners.
1890.....	13,964	2,598	22,304	3,481	851	34	37,119	6,113
1891.....	13,927	2,997	22,506	3,883	844	40	37,277	6,920
1892.....	13,601	3,462	22,405	4,387	890	49	36,896	7,896
1893.....	13,286	3,817	22,205	4,809	915	55	36,406	8,681
1894.....	13,069	4,118	22,008	5,145	941	71	36,018	9,334
1895.....	12,754	4,438	21,895	5,489	954	90	35,603	10,017
1896.....	12,494	4,701	21,705	5,905	972	103	35,171	10,709
1897.....	12,341	4,959	21,503	6,318	951	136	34,795	11,413
1898.....	12,196	5,196	21,310	6,701	933	153	34,439	12,050
1899.....	11,937	5,442	20,902	7,155	907	184	33,746	12,781
1900.....	11,669	5,706	20,348	7,626	890	200	32,907	13,532
1901.....	11,368	5,951	19,843	8,070	875	218	32,066	14,239
1902.....	10,986	6,203	19,353	8,487	881	230	31,220	14,920
1903.....	10,569	6,453	18,859	8,870	900	260	30,328	15,583
1904.....	10,155	6,695	18,309	9,293	892	275	29,356	16,263
1905.....	9,762	6,924	17,753	9,618	889	282	28,404	16,824
1906.....	9,447	7,058	17,244	9,865	861	291	27,552	17,214
1907 (a).....	9,240	7,123	13,820	10,099	861	293	26,921	17,515
1907 (b).....	.....	.....	.....	.....	.....	.....	26,321	17,764

a First six months.

b Last six months; united fund.

A study of the reports concerning the movement of membership of the pension funds furnishes very valuable material concerning the death rate and the disability and retirement rates of railroad employees. In the following tables these rates are computed for the entire membership as well as for the main groups. Perhaps the most interesting feature brought out is the small number of deaths or retirements due to accidents. Thus, for the ten years 1890 to 1899, the total number of retirements due to accidents was, for the two larger funds, 183, and the total number of fatal accidents 204, or 18.3 and 20.4 per annum, respectively. With an average membership of 35,000 members, this gives a rate of one accidental invalidity per 1,913 employees, and one fatal accident to 1,716 employees. The general rate of retirements and deaths naturally increases, in view of the discontinuance of new admissions in 1897, but not so rapidly as one would expect. To some extent this prohibition of new admissions was limited by the rule permitting transfers of members of the mutual benefit societies by promotion from a daily wage to a monthly salary. During 1890 to 1894 the average rate of retirement for old age and disability was 2 per cent, or 20 per thousand; for 1895 to 1899, 2.14 per cent, or 21.4 per thousand; for 1902 to 1906, 23.6 per thousand;

and in 1907, 36.5 per thousand. The average death rate in 1890 to 1894 was 9 per thousand; in 1895 to 1899, 8.6 per thousand; and in 1902 to 1906, 9.7 per thousand.

The percentages of resignations and dismissals are small, and have been growing very much smaller. As the constitution provided no repayments for members who resigned or were dismissed for cause, the increased value of the acquired rights to a pension evidently had the effect of counteracting the tendency both for resignations on the part of the employee and dismissals by his superiors.

MOVEMENT OF MEMBERSHIP IN THE ADRIATIC, MEDITERRANEAN, AND SICILIAN PENSION FUNDS, 1890 TO 1907.

[Source: The annual reports of the funds. From 1890 to 1899 the Adriatic and Mediterranean funds only are included.]

Year.	Number of members—			Members lost because of—									
				Disability.				Death.				Resigna- tion or dismissal.	
	In Jan- uary.	Ad- mit- ted dur- ing year.	Total.	Due to old age and inva- lid- ity.	Due to acci- dent.	To- tal.	Per cent.	Nat- ural.	Acci- den- tal.	To- tal.	Per cent.	Num- ber.	Per- cent.
1890.....	36,006	1,697	37,703	616	25	641	1.7	306	26	332	0.9	201	0.5
1891.....	36,529	1,232	37,761	856	18	874	2.3	316	24	340	.9	210	.6
1892.....	36,337	688	37,025	891	22	913	2.5	302	15	317	.9	123	.3
1893.....	35,676	731	36,407	605	25	630	1.7	311	31	342	.9	128	.4
1894.....	35,307	594	35,901	651	10	661	1.8	297	11	308	.9	86	.2
1895.....	34,846	732	35,578	677	17	694	2.0	316	20	336	.9	97	.3
1896.....	34,451	614	35,065	725	11	736	2.1	276	20	296	.8	87	.2
1897.....	33,946	842	34,788	695	10	705	2.0	252	16	268	.8	73	.2
1898.....	33,742	676	34,418	712	20	732	2.1	288	20	308	.9	107	.3
1899.....	33,271	313	33,539	821	25	846	2.5	259	21	280	.8	51	.2
1902.....	31,669	149	31,818	353	20	716	2.3	180	12	304	1.0	34	.1
1903.....	30,764	232	30,996	439	17	794	2.6	167	11	300	1.0	30	.1
1904.....	29,890	107	29,979	(a)	(a)	805	2.7	(a)	(a)	278	.9	39	.1
1905.....	28,847	88	28,935	(a)	(a)	690	2.4	(a)	(a)	280	1.0	10	(b)
1906.....	27,965	61	28,026	(a)	(a)	534	1.9	(a)	(a)	298	1.1	27	.1
1907 (c).....	27,167	50	27,217	(a)	(a)	373	1.4	(a)	(a)	164	1.1	3	(b)
1907 (d).....	26,677	62	26,739	(a)	(a)	612	2.3	(a)	(a)	140		21	.1

a Not reported separately.  
 b Less than one-tenth of 1 per cent.  
 c First six months.

d Last six months.  
 e In July.

The same data are given in the following table for each branch of the service, for the ten-year period 1890 to 1899, only the two large funds being included. In both funds the highest retirement rate is found in the groups of maintenance-of-way and station service, and the lowest in the office force. The rates of retirement are much higher for the Adriatic fund, which had a membership of a much higher average age. The higher retirement rates for the maintenance-of-way and station service is partly due to a higher average age of these groups, rail-road employees being transferred to these easier occupations when they

are considered because of their age unfit for the more strenuous duties of the active train service. Thus, in 1890 in the Adriatic fund there were among the office employees only 15.7 per cent 50 years of age and over; among the engineers and firemen, 17.5 per cent; in the train service, 18.7 per cent; in the station service, 20.2 per cent; and in the maintenance-of-way, 34.2 per cent.

AVERAGE MEMBERSHIP FOR 10-YEAR PERIOD 1890 TO 1899 IN THE MEDITERRANEAN AND ADRIATIC PENSION FUNDS, BY BRANCH OF THE SERVICE.

[Source: The annual reports of the funds.]

Fund and branch of the service.	Mem-ber-ship.	Members lost because of—									
		Disability.				Death.				Resigna-tion or dismissal.	
		Due to old age and inva-lid-ity.	Due to acci-dent.	To-tal.	Per-cent.	Nat-ural.	Acci-den-tal.	To-tal.	Per-cent.	Num-ber.	Per-cent.
Mediterranean fund:											
Engineers and firemen.....	2,276	33	5	38	1.7	17	2	19	0.8	2	0.09
Train service.....	2,120	34	2	36	1.7	15	3	18	.8	6	.28
Maintenance of way.....	3,696	91	2	93	2.5	26	3	29	.8	4	.11
Station service.....	6,793	131	5	136	2.0	52	5	57	.8	28	.41
Office force.....	7,724	110	1	111	1.4	72	1	73	.9	24	.31
Total.....	22,609	309	15	414	1.8	182	14	196	.9	64	.28
Adriatic fund:											
Engineers and firemen.....	1,306	27	2	29	2.2	11	1	12	.9	1	.77
Train service.....	1,061	27	3	30	2.8	7	3	10	.9	3	.28
Maintenance of way.....	1,986	98	1	99	5.0	14	2	16	.8	1	.50
Station service.....	2,481	84	1	85	3.4	22	2	24	1.0	16	.64
Office force.....	6,522	92	.....	92	1.4	54	1	55	.8	32	.49
Total.....	13,356	328	7	335	2.5	108	9	117	.9	53	.40

SALARIES.—For a better appreciation of the data concerning the pensions paid by these funds, it is necessary to give some information concerning the earnings of the Italian railroad employees. In the following tables the average salaries have been computed from the annual reports of the Adriatic and Mediterranean funds, as far as available, namely for 1890 to 1899, and 1890 to 1903, respectively. The average earnings have increased during this period from \$314 to \$369 in the Adriatic fund, and from \$278 to \$339 in the Mediterranean fund. These averages are considerably higher than for the entire railroad personnel, as shown in the table on page 1936, and are explained by the fact that the pension funds included mainly the higher paid employees. The discontinuance of new admissions in 1897, except by transfer from the mutual benefit societies, in itself is responsible for a considerable increase in the average salary. As a matter of fact, the greatest increase in the average salary is noticeable in the

class of office employees where the highest salaries are paid; while in some of the other groups there was little or no increase.

The average remuneration of these employees in the Adriatic fund during the last five years for which information is available (1895 to 1899) was as follows: Engineers and fireman, \$410; train service, \$281; maintenance of way, \$185; station service, \$204; and in office service, \$450. In the Mediterranean fund data are available for a later period, 1900 to 1903, and though more recent are somewhat lower, namely: Engineers and firemen, \$399; train service, \$276; maintenance of way, \$175; station service, \$192; and office employees, \$477.

**AVERAGE ANNUAL SALARIES OF MEMBERS OF THE MEDITERRANEAN PENSION FUND, 1890 TO 1903, AND OF THE ADRIATIC PENSION FUND, 1890 TO 1899, BY BRANCH OF SERVICE.**

[Source: The annual reports of the funds.]

Fund and year.	Engineers and firemen.		Maintenance of way.		Train service.	
	Member-ship.	Average annual salary.	Member-ship.	Average annual salary.	Member-ship.	Average annual salary.
<b>Mediterranean fund:</b>						
1890.....	2,104	\$376	4,154	\$157	2,053	\$251
1891.....	2,131	377	3,985	157	2,042	253
1892.....	2,152	376	3,857	159	2,049	252
1893.....	2,154	377	3,717	160	2,054	253
1894.....	2,155	380	3,618	159	2,082	253
1895.....	2,190	377	3,493	160	2,096	249
1896.....	2,252	379	3,399	161	2,075	253
1897.....	2,293	378	3,272	160	2,087	255
1898.....	2,369	374	3,151	164	2,033	256
1899.....	2,351	377	3,031	168	1,987	262
1900.....	2,363	384	2,885	172	1,923	265
1901.....	2,372	388	2,739	173	1,876	266
1902.....	2,341	403	2,653	175	1,815	285
1903.....	2,329	420	2,532	179	1,755	288
<b>Average:</b>						
1890 to 1894.....	2,139	377	3,866	158	2,056	253
1895 to 1899.....	2,291	377	3,269	163	2,056	255
1900 to 1903.....	2,351	399	2,702	175	1,842	276
<b>Adriatic fund:</b>						
1890.....	1,009	443	2,385	176	1,094	272
1891.....	1,008	445	2,253	178	1,063	275
1892.....	980	449	2,032	179	1,026	276
1893.....	1,274	409	1,967	179	1,007	287
1894.....	1,336	407	1,897	180	975	283
1895.....	1,443	406	1,800	181	943	284
1896.....	1,461	406	1,713	182	926	288
1897.....	1,468	407	1,583	183	1,040	279
1898.....	1,462	412	1,535	183	1,087	275
1899.....	1,460	417	1,409	191	1,110	279
<b>Average:</b>						
1890 to 1894.....	1,121	421	2,107	178	1,033	279
1895 to 1899.....	1,459	410	1,608	185	1,021	281



**AVERAGE ANNUAL SALARIES OF MEMBERS OF THE MEDITERRANEAN PENSION FUND, 1890 to 1903, AND OF THE ADRIATIC PENSION FUND, 1890 to 1899, BY BRANCH OF SERVICE—Concluded.**

Fund and year.	Station service.		Office employees, etc.		Total.	
	Member-ship.	Average annual salary.	Member-ship.	Average annual salary.	Member-ship.	Average annual salary.
<b>Mediterranean fund:</b>						
1890.....	6,768	\$178	7,478	\$415	22,557	\$278
1891.....	6,690	181	7,607	415	22,455	281
1892.....	6,591	179	7,705	408	22,354	280
1893.....	6,460	179	7,671	404	22,056	280
1894.....	6,486	179	7,619	416	21,960	285
1895.....	6,508	179	7,542	419	21,829	286
1896.....	6,368	179	7,486	425	21,580	289
1897.....	6,302	180	7,473	427	21,427	292
1898.....	6,268	180	7,373	444	21,194	295
1899.....	6,075	182	7,166	444	20,610	300
1900.....	5,886	185	7,029	455	20,086	308
1901.....	5,721	187	6,892	465	19,600	315
1902.....	5,574	197	6,722	488	19,105	330
1903.....	5,373	200	6,624	498	18,613	339
<b>Average:</b>						
1890 to 1894.....	6,599	179	7,616	412	22,276	281
1895 to 1899.....	6,304	180	7,408	432	21,328	292
1900 to 1903.....	5,638	192	6,817	477	19,350	323
<b>Adriatic fund:</b>						
1890.....	2,981	192	6,503	408	13,972	314
1891.....	2,863	192	6,695	407	13,882	318
1892.....	2,687	200	6,595	412	13,320	325
1893.....	2,551	196	6,452	431	13,251	335
1894.....	2,284	197	6,394	429	12,886	338
1895.....	2,161	199	6,275	436	12,622	344
1896.....	2,048	200	6,218	445	12,366	352
1897.....	1,967	210	6,083	448	12,141	356
1898.....	1,855	205	5,983	456	11,922	360
1899.....	1,790	206	5,839	466	11,608	369
<b>Average:</b>						
1890 to 1894.....	2,673	195	6,528	417	13,462	326
1895 to 1899.....	1,964	204	6,080	450	12,132	356

**PENSIONS.**—In the following two tables is shown the activity of the pension funds in the distribution of pensions. The first table gives the total number of current pensions at the end of each year, while the second table gives the number of new pensions granted during each year. Because of the great difficulty in obtaining material the tables are not as complete as they should be.

No data were available for the Sicilian fund prior to 1901, and therefore totals for all the three funds could not be obtained for the earlier years; and for the other two funds the data are incomplete for a number of years, mainly as far as the pensions to orphan families are concerned. The data presented are nevertheless sufficient to indicate the general results.

The increase in the amount of pensions is better demonstrated in the second table, showing the average amounts of pensions granted during the years specified. The averages fluctuate mainly because of the difference in the occupation of the employees pensioned, as the differences in the annual salaries of the different classes of employees are considerable. The pensions of the widows include those with and without minor children, and for a few years the data were given sep-

arately for these groups; but as the total amounts given to the minor children are not very great the averages are affected but slightly by combining all the widows into one group. The averages for members fluctuate from year to year between \$180 and \$300, seldom falling outside of these limits. If the means of five annual averages are considered, then the increase from 1890-1894 to 1903-1907 for the Adriatic fund is from \$198 to \$257, and for the Mediterranean fund from \$188 to \$235.

To appreciate the actual purchasing value of these pensions in Italy, it is necessary to keep in mind not only the general level of prices and the standard of living, but also the wages paid.

Roughly the widow's average pension equals about one-half of the employee's average pension. Taking the mean of the averages for all the funds for pensions granted each year, 1902 to 1907, the employee's pension equals \$241, the widow's pension, \$123, or 51 per cent, while the average pension of a family of minor orphans equals \$53 per annum, or about 22 per cent of the employee's pension.

When the entire number of current pensions is considered, the average amount appears to be much smaller and less subject to fluctuations, though the tendency to a higher average pension is unmistakable. In the Mediterranean fund the average current pension for 1889 to 1893 was \$160, and for 1903 to 1907, \$192; in the Adriatic fund the increase was from \$172 to \$206. The difference between the average amount of the current pension and that of the pension granted is easily accounted for by the survival of many very low pensions granted many years ago when the wages of the Italian railroad employees were very much lower than they are now.

## NUMBER, AMOUNT, AND AVERAGE OF PENSIONS PAID EACH

[Source: The annual

Fund and year.	Pensions paid to—		
	Members.		
	Number.	Amount.	Average.
<b>Mediterranean fund:</b>			
1889.....	1,583	\$233,098	\$147
1890.....	1,770	268,657	152
1891.....	2,138	341,142	160
1892.....	2,471	420,685	170
1893.....	2,664	451,232	169
1894.....	2,824	484,911	172
1895.....	3,029	529,804	175
1896.....	3,322	596,660	180
1897.....	3,551	648,401	183
1898.....	3,794	704,637	186
1899.....	4,112	784,793	191
1900.....	4,357	824,150	189
1901.....	4,614	863,409	187
1902.....	4,801	904,337	188
1903.....	5,006	949,582	190
1904.....	5,218	989,558	190
1905.....	5,274	1,006,563	191
1906.....	5,356	1,033,365	193
1907 (c).....	5,491	1,069,202	198
<b>Adriatic fund:</b>			
1889.....	1,103	179,835	163
1890.....	1,356	227,590	168
1891.....	1,640	280,061	171
1892.....	2,058	362,136	175
1893.....	2,215	402,631	182
1894.....	2,434	450,826	185
1895.....	2,623	495,341	189
1896.....	2,816	543,108	193
1897.....	2,900	569,709	192
1898.....	3,104	596,925	192
1899.....	3,246	623,128	192
1900.....	(a)	(a)	(a)
1901.....	3,497	685,075	196
1902.....	3,628	718,861	198
1903.....	3,731	738,983	198
1904.....	3,852	769,995	200
1905.....	3,955	826,445	209
1906.....	3,918	826,516	211
1907 (c).....	3,956	840,398	212
<b>Sicilian fund:</b>			
1901.....	109	24,390	224
1902.....	114	27,266	239
1903.....	132	33,017	250
1904.....	135	35,852	266
1905.....	140	37,827	270
1906.....	134	36,867	275
1907 (c).....	133	36,872	277
<b>Total funds:</b>			
1901.....	8,220	1,572,874	191
1902.....	8,543	1,650,464	193
1903.....	8,869	1,721,582	194
1904.....	9,205	1,795,405	195
1905.....	9,369	1,870,835	199
1906.....	9,408	1,896,748	202
1907 (c).....	9,580	1,966,472	205
1907 (d).....	9,728	2,022,274	208

a Not reported.

b Not including pensions to minor children of widows, which in 1901 amounted to \$18,870.

CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1953

YEAR, 1909 TO 1907, BY FUNDS AND CLASSES OF PENSIONS.

reports of the funds.]

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\* First 6 months.

\* Last 6 months; united fund.

NUMBER, AMOUNT, AND AVERAGE OF NEW PENSIONS GRANTED

[Source: The annual

Fund and year.	Pensions granted to—		
	Members.		
	Number.	Amount.	Average.
Adriatic fund:			
1890.....	310	\$55,903	\$180
1891.....	382	68,935	180
1892.....	507	98,008	193
1893.....	261	57,446	220
1894.....	342	73,416	215
1895.....	313	69,343	222
1896.....	310	70,484	227
1897.....	281	53,625	191
1898.....	285	55,344	194
1899.....	299	56,392	189
1900.....	(a)	(a)	(a)
1901.....	(a)	(a)	(a)
1902.....	333	75,051	225
1903.....	313	67,641	216
1904.....	335	80,352	240
1905.....	314	101,253	322
1906.....	172	44,730	260
1907 (b).....	131	32,290	246
Mediterranean fund:			
1890.....	297	54,231	183
1891.....	468	87,566	187
1892.....	453	104,712	231
1893.....	338	57,143	169
1894.....	314	62,126	198
1895.....	362	72,310	200
1896.....	438	98,088	224
1897.....	397	83,546	210
1898.....	442	92,905	210
1899.....	533	123,470	232
1900.....	466	84,096	180
1901.....	494	87,604	177
1902.....	383	76,614	200
1903.....	458	95,974	210
1904.....	463	96,131	208
1905.....	390	86,621	222
1906.....	350	82,489	236
1907 (b).....	316	93,705	297
Sicilian fund:			
1902.....	11	4,165	379
1903.....	22	6,910	314
1904.....	12	4,382	365
1905.....	8	2,423	303
1906.....	7	1,789	256
1907.....	1	442	442
Total funds:			
1902.....	727	155,830	214
1903.....	793	170,525	215
1904.....	810	180,865	223
1905.....	712	190,297	267
1906.....	529	129,008	244
1907 (b).....	448	126,437	282
1907 (c).....	397	110,765	279

a Not reported.

b First six months.

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1955

EACH YEAR, 1880 TO 1907, BY FUNDS AND CLASSES OF PENSIONS.  
reports of the funds.)

Pensions granted to—						Total pensions.		
Widows (with and without minor children).			Orphans.					
Number.	Amount.	Average.	Number.	Amount.	Average.	Number.	Amount.	Average.
121	\$12,071	\$100	21	\$791	\$38	452	\$68,765	\$152
148	15,153	102	14	1,257	90	544	85,845	157
137	13,207	96	19	1,440	76	603	112,655	170
146	16,556	113	(a)	(a)	(a)	(a)	(a)	(a)
153	14,207	93	(a)	(a)	(a)	(a)	(a)	(a)
166	19,411	117	(a)	(a)	(a)	(a)	(a)	(a)
142	16,623	117	(a)	(a)	(a)	(a)	(a)	(a)
146	16,776	116	(a)	(a)	(a)	(a)	(a)	(a)
154	16,728	109	(a)	(a)	(a)	(a)	(a)	(a)
174	18,596	107	(a)	(a)	(a)	(a)	(a)	(a)
(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
(a)	24,626	126	21	974	46	549	100,651	182
195	26,707	129	20	1,046	52	540	96,394	180
207	26,557	127	26	1,518	58	585	110,427	189
224	25,466	122	21	1,152	55	544	127,871	236
209	26,393	130	25	1,731	69	400	72,854	182
203	12,018	137	12	840	70	231	45,148	196
88								
	4	104	15	497	33	450	69,122	154
128	1	102	29	970	33	694	106,707	157
197	0	104	(a)	(a)	(a)	(a)	(a)	(a)
192	11	99	(a)	(a)	(a)	(a)	(a)	(a)
207	50	103	(a)	(a)	(a)	(a)	(a)	(a)
174	03	107	(a)	(a)	(a)	(a)	(a)	(a)
230	61	99	(a)	(a)	(a)	(a)	(a)	(a)
220	79	113	(a)	(a)	(a)	(a)	(a)	(a)
208	50	101	(a)	(a)	(a)	(a)	(a)	(a)
259	06	117	(a)	(a)	(a)	(a)	(a)	(a)
251	97	130	(a)	(a)	(a)	(a)	(a)	(a)
274	40	111	(a)	(a)	(a)	(a)	(a)	(a)
306	06	126	40	1,989	50	684	111,598	169
261	16	109	34	1,820	54	774	128,610	186
282	43	116	56	3,094	56	850	137,466	193
231	23,746	116	40	2,313	56	764	127,680	167
234	42,216	118	64	3,621	57	772	128,326	186
258	14,986	123	11	655	60	449	109,346	244
122								
9	1,262	139	1	270	270	21	5,687	271
12	1,851	154	1	101	101	35	8,862	253
12	1,328	111				24	5,710	238
12	462	113				12	2,876	240
4	4,851	167	1	36	36	37	6,676	180
29	742	124				7	1,184	169
6								
465	58,873	126	62	3,233	52	1,254	217,936	174
501	59,374	119	55	2,967	54	1,349	222,866	173
567	66,126	120	82	4,612	56	1,459	253,606	174
547	64,664	118	61	3,465	57	1,320	258,426	196
590	73,400	125	90	5,388	60	1,209	207,856	172
216	27,743	128	23	1,496	65	667	155,676	226
204	27,020	123	66	1,908	29	667	139,693	209

c Last six months; united fund.



The following table, showing the number and amounts of pensions by the five branches of the service, further illustrates the very high level of pensions both to the members and to the widows. Unfortunately it was possible to bring the data down only to 1899 for the Adriatic fund and to 1903 for the Mediterranean fund, later data not being available. But the fluctuations are not very great, nor could there be any radical change, since the provisions of the constitution regulating pensions have not undergone any important changes since 1890, while the rates of contributions from both sides have been increased to meet the cost of the pensions.

The average amount of the pensions fluctuated for engineers and firemen roughly between \$200 and \$300, for the train service personnel between \$150 and \$200, for the trackmen and other persons employed in the maintenance of way between \$100 and \$120, for the station and yard service between \$115 and \$125, and among the office force, this class containing the highest paid employees, between \$300 and \$400. The widows' average pensions are equal to about half the average pensions of the members.

NUMBER AND AVERAGE PENSIONS GRANTED EACH YEAR TO MEMBERS AND THEIR WIDOWS BY THE ADRIATIC AND THE MEDITERRANEAN PENSION FUNDS, 1890 TO 1903, BY BRANCH OF THE SERVICE.

[Source: The annual reports of the funds.]

Fund and year.	Pensions granted each year to—											
	Engineers and firemen.		Train service employees.		Maintenance-of-way employees.		Station service employees.		Office employees, etc.		Total.	
	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.
MEMBERS.												
Adriatic fund:												
1890.....	27	\$250	17	\$193	123	\$105	70	\$121	73	\$336	310	\$180
1891.....	36	223	21	179	125	104	100	123	100	329	382	180
1892.....	30	239	30	212	212	106	113	121	122	396	507	193
1893.....	36	274	17	185	42	115	82	114	84	361	261	220
1894.....	26	211	28	187	53	112	114	126	121	350	342	215
1895.....	22	275	31	182	83	112	75	117	102	388	313	222
1896.....	25	294	32	177	82	104	69	125	102	395	310	227
1897.....	21	303	25	176	85	123	77	115	73	323	281	191
1898.....	21	273	37	181	80	119	65	117	72	320	285	194
1899.....	23	254	23	180	104	108	76	118	68	374	299	189
Total—												
1890 to 1894.....	155	254	113	193	555	105	479	121	500	357	1,802	196
1895 to 1899.....	127	278	148	179	434	112	362	118	417	364	1,488	205
Mediterranean fund:												
1890.....	24	241	21	205	63	110	119	119	73	317	300	181
1891.....	40	264	40	162	116	111	171	123	101	363	468	187
1892.....	29	229	31	183	89	110	108	115	149	385	406	226
1893.....	38	241	29	159	110	96	100	115	93	334	370	181
1894.....	33	266	42	187	76	104	85	114	80	336	316	193
1895.....	34	269	32	179	98	106	124	118	91	378	379	196
1896.....	31	245	45	172	68	102	160	116	120	399	424	209
1897.....	44	231	23	144	106	115	126	117	121	436	420	222
1898.....	35	228	49	183	83	110	167	112	111	360	445	190
1899.....	69	284	40	187	107	106	180	115	149	447	545	230
1900.....	37	258	47	188	113	107	172	108	108	357	477	184

## NUMBER AND AVERAGE PENSIONS GRANTED EACH YEAR TO MEMBERS AND THEIR WIDOWS BY THE ADRIATIC AND THE MEDITERRANEAN PENSION FUNDS, 1890 TO 1903, BY BRANCH OF THE SERVICE—Concluded.

Fund and year.	Pensions granted each year to—											
	Engineers and firemen.		Train service employees.		Maintenance-of-way employees.		Station service employees.		Office employees, etc.		Total.	
	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.
<b>MEMBERS—Concluded.</b>												
<b>Mediterranean fund—Con.</b>												
1901.....	44	\$240	55	\$172	121	\$103	165	\$116	106	\$333	491	\$177
1902.....	36	307	36	176	75	110	135	116	91	359	373	196
1903.....	66	302	49	204	110	132	142	127	89	355	456	207
Total—												
1890 to 1894.....	164	250	163	177	454	106	583	118	496	253	1,800	194
1895 to 1899.....	213	256	189	176	462	108	757	115	592	406	2,213	211
1900 to 1903.....	183	279	187	184	419	113	614	117	394	351	1,797	191
<b>WIDOWS. (a)</b>												
<b>Adriatic fund:</b>												
1890.....	10	124	10	79	33	63	33	77	32	109	118	102
1891.....	9	127	8	96	29	54	49	65	53	160	148	102
1892.....	11	132	8	83	36	64	40	68	42	145	137	96
1893.....	14	105	7	90	13	47	15	53	39	159	88	110
1894.....	6	153	6	47	18	45	25	53	28	112	83	78
1895.....	7	111	11	66	17	57	18	48	27	146	80	91
1896.....	8	114	4	73	8	58	12	65	30	134	62	104
1897.....	7	126	6	68	12	62	10	56	39	126	74	101
1898.....	4	128	3	62	10	56	20	61	42	136	79	103
1899.....	5	101	6	81	11	55	9	62	41	125	72	101
Total—												
1890 to 1894.....	50	124	39	81	129	57	162	65	194	151	574	99
1895 to 1899.....	31	115	30	70	58	57	69	58	179	132	367	100
<b>Mediterranean fund:</b>												
1890.....	11	107	17	93	26	71	42	67	42	166	138	104
1891.....	11	151	18	90	37	60	60	63	71	153	197	102
1892.....	13	114	13	78	27	56	37	51	39	157	124	95
1893.....	11	136	10	71	23	55	33	51	50	129	127	91
1894.....	10	90	6	85	14	50	24	57	45	139	99	96
1895.....	11	153	13	68	22	53	44	58	46	160	126	100
1896.....	12	127	13	64	26	61	42	54	40	169	133	97
1897.....	13	122	9	69	11	55	36	55	41	137	110	95
1898.....	28	106	12	65	25	57	33	57	40	134	138	90
1899.....	14	124	13	80	14	51	31	57	45	152	117	103
1900.....	15	105	12	73	20	68	32	57	59	188	138	121
1901.....	20	119	12	72	19	59	46	64	48	164	145	105
1902.....	14	117	14	91	12	56	34	51	66	168	140	117
1903.....	11	125	16	74	19	48	44	50	48	148	138	93
Total—												
1890 to 1894.....	56	120	64	85	127	59	191	59	247	149	685	99
1895 to 1899.....	78	122	60	69	98	56	186	56	212	151	634	97
1900 to 1903.....	60	116	54	78	70	58	156	56	221	168	561	109

(a) Not including widows of pensioners since 1893.

The relation between the average pension and the average salary, by branches of the service, is clearly brought out in the following table. Five-year averages have been used so as to eliminate accidental annual variations. The members' pensions amount to about 60 to 70 per cent of the wages, and the widows' pensions about 30 to 35 per cent. The pensions are proportionately highest among the office employees where longer service is possible before invalidity occurs.

**PROPORTION BETWEEN SALARIES AND PENSIONS OF ADRIATIC AND MEDITERRANEAN PENSION FUNDS, BY BRANCHES OF THE SERVICE, 1890 TO 1903.**

[Computed from preceding tables.]

Fund and year group.	Engineers and firemen.					Train service.				
	Average salary.	Average pension granted to—				Average salary.	Average pension granted to—			
		Members.		Widows.			Members.		Widows.	
		Amt.	Per cent of salary.	Amt.	Per cent of salary.		Amt.	Per cent of salary.	Amt.	Per cent of salary.
Adriatic fund:										
1890 to 1894.....	\$431	\$254	58.9	\$124	28.8	\$279	\$193	69.2	\$81	29.0
1895 to 1899.....	410	278	67.8	115	28.0	281	179	63.7	70	24.9
Mediterranean fund:										
1890 to 1894.....	377	250	66.3	120	31.8	252	177	70.2	85	33.7
1895 to 1899.....	377	256	67.9	122	32.4	255	176	69.0	69	27.1
1900 to 1903.....	399	279	69.9	116	29.1	276	184	66.7	78	28.3
	Maintenance of way.					Station service.				
Adriatic fund:										
1890 to 1894.....	\$178	\$105	59.0	\$57	32.0	\$195	\$121	62.1	\$65	33.3
1895 to 1899.....	185	112	60.5	57	30.8	204	118	57.8	58	28.4
Mediterranean fund:										
1890 to 1894.....	158	106	67.1	59	37.3	179	118	65.9	59	33.0
1895 to 1899.....	163	108	66.3	56	34.4	180	115	63.9	56	31.1
1900 to 1903.....	175	113	64.6	58	33.1	192	117	60.9	56	29.2
	Office force.					All occupations.				
Adriatic fund:										
1890 to 1894.....	\$417	\$353	84.6	\$151	36.2	\$326	\$196	60.1	\$99	30.4
1895 to 1899.....	450	364	80.9	132	29.3	356	205	57.6	100	28.1
Mediterranean fund:										
1890 to 1894.....	412	353	85.7	149	36.2	281	194	69.0	99	35.2
1895 to 1899.....	432	408	94.4	151	35.0	292	211	72.3	97	33.2
1900 to 1903.....	476	351	73.7	168	35.3	323	191	59.1	109	33.8

**FINANCES.**—A general review of the finances of the three pension funds since their organization in 1890 is given in the following table. Their combined assets in 1890 were \$15,841,525, and in 1907 when the three funds were united the assets amounted to over twenty-two million dollars. Nevertheless, a more careful analysis shows that their finances were not in a satisfactory condition. The annual excess of income over expenditures rapidly decreased except for the small Sicilian fund. The Adriatic fund had a deficit annually since 1900, which the very much increased revenues of 1902 (i. e., the increase of members' contributions from 4.5 to 5.5 per cent of the salary, and of the railroad contributions from 5 to 8 per cent) succeeded in reducing only for a time, but could not altogether obliterate. The Mediterranean pension fund also showed a deficit in 1901, and while the increased revenues of 1902 succeeded in creating a surplus, it rapidly declined during the following years. As the number of pensioners rapidly

grew, the expenditures increased very much faster than the income; thus the combined revenues in 1907 (\$2,827,439) show an increase of less than 50 per cent over those of 1890, while the expenditures (\$2,809,937) are more than four times as great as those for 1890. Of course, as the admission of new members was practically discontinued in 1897, the pension funds were winding up their affairs, but the computation of the actual obligations repeatedly indicated that the funds were not solvent.

FINANCES OF THE ADRIATIC, MEDITERRANEAN, AND SICILIAN PENSION FUNDS,  
1890 TO 1907.

[Source: The annual reports of the funds.]

1890.....	\$1,90	81	74	\$1,214,207	.....	\$15,841,525
1891.....	1,95	09	64	1,102,745	.....	16,944,270
1892.....	1,96	71	88	927,086	.....	17,871,356
1893.....	2,02	10	88	841,652	.....	18,713,008
1894.....	1,99	06	15	713,081	.....	19,426,099
1895.....	1,99	28	10	582,218	.....	20,008,307
1896.....	2,03	86	00	478,456	.....	<sup>a</sup> 20,702,104
1897.....	2,08	41	04	414,137	.....	21,116,241
1898.....	2,10	68	06	319,752	.....	21,435,993
1899.....	2,13	29	54	205,075	.....	21,641,068
1900.....	2,15	22	05	106,217	.....	21,747,285
1901.....	2,12	23	66	.....	\$51,943	21,695,342
1902.....	2,27	12	82	.....	28,770	21,666,572
1903.....	2,66	06	87	247,511	.....	21,914,063
1904.....	2,63	12	70	122,142	.....	22,086,225
1905.....	2,66	43	27	1,016	.....	22,637,241
1906.....	2,77	11	02	21,409	.....	22,658,650
1907 (b).....	1,42	06	30	67,076	.....	22,125,726
1907 (c).....	1,36	33	07	.....	49,574	22,076,152

<sup>a</sup> This number does not equal the assets in 1896 plus the surplus in 1896; the figures are given as shown in the original report.

<sup>b</sup> First six months.

<sup>c</sup> Last six months; united fund.

In the following table the income and expenditures of the three pension funds are shown for the period since their reorganization in 1902 until their consolidation into one pension fund in 1907.

The total income for 1906 amounted to \$2,774,611, and for the first six months of 1907 to \$1,429,406. The regular railroad contributions represented the largest item in these two years, being in 1906 \$978,560, or 35.3 per cent of the total. Adding to this the income from the proceeds of the sale of tickets of admission to stations, \$90,993, or 3.3 per cent, the total share of the railroads was 38.6 per cent. Income from interest and investments in some years even exceeded the railroad contributions; in 1906 it amounted to 35.2 per cent of the total. Thus the employees themselves contributed only one-fourth (25.1 per cent) of the total revenues of the funds.

A decided increase in the revenues is noticeable in 1902 as compared with the preceding years. This is caused by the increase of the contributions of both the members and the railroads, as pointed out in

the history of the funds. The members' contributions were 4.5 per cent of their salaries until October 20, 1902, and 5.5 per cent since that date. Thus for the larger part of the year the smaller contribution was exacted. On the same date the railroads' contribution changed from 5 per cent to 8 per cent of the salaries; thus the members' contribution increased by 22.2 per cent, and that of the railroads by 60 per cent. As a result, the share of the members' contributions to the total revenue increased from 25.6 per cent in 1902 to 26.4 per cent in 1903, while that of the railroads increased from 29.3 per cent to 34.8 per cent.

In the expenditures of the pension funds the main item naturally consists of members' pensions, followed by widows' pensions, the latter including the shares of minor children whose mothers are living. Pensions to orphans do not represent a very large amount, and lump-sum benefits are insignificant, notwithstanding numerous provisions in the constitutions of the funds concerning such benefits. The vast majority of the members of the pension funds evidently earn pensions. The proportion between the amounts paid out to members and to widows remains fairly uniform. In 1902 the amount paid to widows was about 40 per cent, and in 1906 about 42 per cent of the amount paid to members. This proportion indicates that the Italian railroad pension funds are much more than merely old-age and invalidity pension funds, since they protect thousands of families of deceased employees and pensioners.

**INCOME AND EXPENDITURES OF THE PENSION FUNDS, BY SOURCE OF INCOME AND ITEM OF EXPENDITURE, 1902 TO 1907.**

[Source: The annual reports of the funds.]

**INCOME.**

Fund, source of income, and item of expenditure.	1902.	1903.	1904.	1905.	1906.	1907. <sup>(a)</sup>
<b>Adriatic fund:</b>						
Members' contributions...	\$224,190	\$266,716	\$260,704	\$256,755	\$270,883	\$151,938
Railroad's contributions ..	254,110	366,552	362,888	354,435	376,111	209,334
Interest, etc.....	348,710	351,640	350,400	348,633	362,673	163,061
Sale of tickets of admission to stations.....	30,618	28,952	28,514	24,571	37,845	12,899
Accident compensations, excess of receipts.....	13,937	5,625	6,239	4,881	8,770	6,117
All other.....	191					5,355
<b>Total.....</b>	<b>871,756</b>	<b>1,019,485</b>	<b>1,017,745</b>	<b>989,275</b>	<b>1,050,282</b>	<b>547,644</b>
<b>Mediterranean fund:</b>						
Members' contributions...	336,540	411,184	378,418	368,366	398,894	224,297
Railroad's contributions ..	388,990	525,315	535,643	526,095	563,828	309,845
Interest, etc.....	529,538	542,627	527,613	534,943	538,962	262,357
Sale of tickets of admission to stations.....	39,647	39,413	42,220	43,131	51,987	11,807
Accident compensations, excess of receipts.....	15,169	9,234	11,105	20,714	10,937	7,341
All other.....	5,002	4,989	16,320	11,270	8,679	3,846
<b>Total.....</b>	<b>1,314,886</b>	<b>1,532,762</b>	<b>1,511,319</b>	<b>1,504,519</b>	<b>1,573,287</b>	<b>819,493</b>

<sup>a</sup> For first 6 months only.

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1961

## INCOME AND EXPENDITURES OF THE PENSION FUNDS, BY SOURCE OF INCOME AND ITEM OF EXPENDITURE, 1902 to 1907—Concluded.

### INCOME—Concluded.

Fund, source of income, and item of expenditure.	1902.	1903.	1904.	1905.	1906.	1907. <sup>a</sup>
<b>Sicilian fund:</b>						
Members' contributions...	\$20,511	\$25,177	\$24,017	\$25,738	\$27,742	\$16,287
Railroad's contributions...	22,263	34,155	34,319	34,917	38,621	22,306
Interest, etc.....	38,525	40,397	42,430	44,217	75,693	22,760
Sale of tickets of admission to stations .....	1,825	1,387	1,305	1,172	1,161	698
Accident compensations, excess of receipts.....	.....	153	284	5	.....	.....
All other.....	1,746	9,392	8,293	.....	1,825	218
<b>Total.....</b>	<b>84,870</b>	<b>110,661</b>	<b>110,648</b>	<b>106,049</b>	<b>145,042</b>	<b>62,269</b>
<b>Total funds:</b>						
Members' contributions...	581,241	703,077	672,139	650,859	697,519	392,522
Railroads' contributions...	665,363	926,022	932,850	915,447	978,560	541,485
Interest, etc.....	916,772	934,664	920,443	927,793	977,328	447,178
Sale of tickets of admission to stations .....	72,091	69,752	72,039	68,874	90,993	25,344
Accident compensations, excess of receipts.....	29,196	15,012	17,628	25,600	19,707	13,458
All other.....	6,939	14,381	24,613	11,270	10,504	9,419
<b>Grand total.....</b>	<b>2,271,512</b>	<b>2,662,908</b>	<b>2,639,712</b>	<b>2,599,843</b>	<b>2,774,611</b>	<b>1,429,406</b>

### EXPENDITURES.

<b>Adriatic fund:</b>						
Pensions to—						
Members.....	\$707,979	\$734,101	\$753,190	\$794,567	\$859,951	\$414,042
Widows.....	258,796	275,153	298,115	296,700	330,779	164,337
Orphans.....	8,595	8,318	8,681	7,819	8,013	3,901
<b>Total pensions.....</b>	<b>975,370</b>	<b>1,017,572</b>	<b>1,059,986</b>	<b>1,099,086</b>	<b>1,198,743</b>	<b>582,280</b>
Lump-sum benefits...	1,352	327	286	1,756	802	531
All other expenditures.	5,645	15,200	4,418	1,519	195	.....
<b>Total expenditures..</b>	<b>982,367</b>	<b>1,033,099</b>	<b>1,064,690</b>	<b>1,102,361</b>	<b>1,199,740</b>	<b>582,811</b>
<b>Mediterranean fund:</b>						
Pensions to—						
Members.....	890,897	933,384	972,356	993,440	1,018,006	516,285
Widows.....	376,681	394,924	417,764	437,794	457,223	228,918
Orphans.....	9,582	9,929	11,280	11,418	11,608	5,977
<b>Total pensions.....</b>	<b>1,277,160</b>	<b>1,338,237</b>	<b>1,401,400</b>	<b>1,442,652</b>	<b>1,486,837</b>	<b>751,180</b>
Lump-sum benefits...	3,086	1,280	1,122	898	1,274	601
All other expenditures.	.....	.....	377	160	10,288	105
<b>Total expenditures..</b>	<b>1,280,246</b>	<b>1,339,517</b>	<b>1,402,899</b>	<b>1,443,710</b>	<b>1,498,399</b>	<b>751,886</b>
<b>Sicilian fund:</b>						
Pensions to—						
Members.....	(b)	(b)	(b)	37,210	37,054	17,981
Widows.....	(b)	(b)	(b)	15,202	17,955	9,632
Orphans.....	(b)	(b)	(b)	118	41	20
<b>Total pensions.....</b>	<b>37,609</b>	<b>42,274</b>	<b>49,855</b>	<b>52,530</b>	<b>55,050</b>	<b>27,633</b>
Lump-sum benefits...	.....	160	.....	218	.....	.....
All other expenditures.	.....	347	126	8	13	.....
<b>Total expenditures..</b>	<b>37,609</b>	<b>42,781</b>	<b>49,981</b>	<b>52,756</b>	<b>55,063</b>	<b>27,633</b>
<b>Total funds:</b>						
Pensions to—						
Members.....	c 1,598,876	c 1,667,485	c 1,725,546	1,825,217	1,915,011	948,308
Widows.....	c 35,477	c 670,077	c 715,879	749,696	805,957	402,887
Orphans.....	c 18,177	c 18,247	c 19,961	19,355	19,662	9,898
<b>Total pensions.....</b>	<b>2,290,199</b>	<b>2,398,063</b>	<b>2,511,243</b>	<b>2,594,268</b>	<b>2,740,630</b>	<b>1,361,093</b>
Lump-sum benefits...	4,438	1,767	1,408	2,872	2,076	1,132
All other expenditures.	5,645	15,547	4,921	1,687	10,496	105
<b>Total expenditures..</b>	<b>2,300,282</b>	<b>2,415,397</b>	<b>2,517,570</b>	<b>2,598,827</b>	<b>2,753,202</b>	<b>1,362,330</b>

<sup>a</sup> First 6 months only. <sup>b</sup> Not separately reported. <sup>c</sup> Not including Sicilian fund, not separately reported.



**STATE RAILROAD MUTUAL BENEFIT SOCIETY.**

This institution was primarily a compulsory sickness insurance society and only secondarily an old-age pension fund at the same time. Gradually, however, the old-age benefits became the most important function, and eventually widows' and orphans' pensions were added. The history of the origin and various changes of the individual mutual benefit societies and their consolidation into one organization has been given hereinbefore.

The purpose and scope of this society embraces medical and sanitary service, sick benefits, invalidity pensions, or lump-sum subsidies where the right of pension has not yet been acquired, and, in addition, similarly to the pension fund, it assumed the administration of accident compensation to its members. Since 1905 it has also granted pensions to widows and orphans.

Membership in this fund was compulsory, and included all persons who held membership in one of the three mutual benefit societies on December 31, 1896. This included mainly the employees of lower grades; but as in the original constitution of the Mutual Benefit Society of the Alta Italia Railroad, employees were permitted to hold membership in both organizations. Many of the employees retained membership in both the pension fund and the mutual benefit society. These evidently did not need any of the invalidity and old-age pensions of the mutual benefit society. The membership was therefore divided into two groups, "ordinary," who held membership in the mutual benefit society only, and "aggregate" members (*compartecipanti aggregati*) holding membership in both organizations.

The activity of this institution was many-sided, as explained above. It embraced insurance against sickness, accidents, old age and invalidity, with some provisions for the orphans and widows. not so extensive by far as in the case of pension funds.

**BENEFITS.**

A free medical service was kept up and supported by the mutual benefit society in conjunction with the second section of the new provident institute, both societies contributing their respective shares of the net cost in proportion to the total annual salaries of the respective memberships. The constitution of 1907 further provided that as soon as this amount becomes greater for the second section of the new provident institute the management shall be transferred to it.

Some features of this medical service were free to all employees of the railroads, whether holding membership in either of the two organizations or not. These free functions included (1) the determination of the fact of illness; (2) the furnishing and maintenance

in repair of orthopedic apparatus (this, however, was limited to results of injuries in the course of service, as far as nonmembers are concerned); (3) the supply of antifebriles in recognized cases of malaria; and (4) the maintenance of life-saving appliances and furnishing of emergency first aid. The cost of the last two functions, and also of the first two as far as applied to nonmembers, was reimbursed to the mutual benefit society by the railroad administration.

**MEDICAL AID TO MEMBERS.**—The medical care of the members of the mutual benefit society and of the second section of the provident institute was not limited to the few functions enumerated above. It included all medical and surgical aid, medicines or their cost, hospital treatment when necessary, and other special treatment during illness or convalescence (but not including the cost of boarding and lodging), the cost of transportation of the sick or injured members to their homes or to the hospital, and, finally, funeral benefits, calculated at 5 per cent of annual wages, but not below 30 lire (\$5.79).

**SICK BENEFITS.**—The above numerous forms of medical and surgical or pharmaceutical aid were granted to all members of the mutual benefit society as well as to those of the second section of the provident institute. The sick benefits, as compensation for wages lost, were paid only to the "ordinary" members, when because of illness no wages were paid. The sick benefits amounted to two-thirds of the daily wage beginning with the fourth day of illness and for not over 180 days in any one calendar year. No sick benefits were paid in case of illness, due to disorderly conduct, vice, fights, or in work outside of the railroad service, or when the sick member declined to enter a hospital when directed or to subject himself to the orders of the physicians of the society.

**OLD-AGE AND INVALIDITY PENSIONS.**—These may be described under two headings, pensions and lump-sum payments. Old-age and invalidity pensions were primarily intended for the "ordinary" members, the "aggregate" members receiving very little outside of medical treatment and other similar benefits.

The constitution of the society did not provide for any straight old-age pensions, but only for "continuous disability benefits." This means that the society did not recognize any standard retirement age; but as the benefits were continuous they may be classified with pensions, and as they were paid for disability they seem necessarily to include disability arising from old age. The requirement of 15 years of membership as a condition of granting such benefits brings them still nearer to old-age pensions.

After 15 years of membership, if forced to give up his employment because of proven disability (invalidity) the male employee holding membership in the society received a continuous benefit (or pension)

equal to one-fiftieth of the average annual salary of the last three years for each year of membership, with a minimum limit of 80 centesimi (15 cents) and a maximum limit of 2.50 lire (48 cents) per day.

If such disability was due to an injury received in service or to miasmatic fevers contracted in service, then the amount of pension was increased by one-fourth within the limits of 1 lira (19 cents) and 3.10 lire (60 cents) per day, provided he did not receive compensation for the same injury or condition in conformance with other laws. These pensions could not be capitalized.

**LUMP-SUM BENEFITS TO MEMBERS.**—If a male employee was relieved of his position because of invalidity before 15 years of membership in the society had elapsed, he received only a small lump-sum payment, equal to one-twentieth of the average annual salary during the last three years for each year of membership, with a minimum of two months' pay according to that average annual salary. If disability was due to an injury received in service or to malaria, this benefit was increased by one-fourth, with a minimum of half the average annual salary.

**BENEFITS TO FEMALE MEMBERS.**—No continuous benefits or pensions were granted to female employees. Lump-sum benefits were given, amounting to one-twentieth of the average annual salary of the last 3 years for each year of membership, irrespective of its length, but with a minimum of two months' pay and a maximum of one year's pay according to that average salary. Such lump-sum benefits, moreover, were given not only in case of invalidity, but also in case of separation from service because of an abolished position or the transfer of the husband. The rule concerning the increase by one-fourth in case of injuries due to service or fevers was applicable. The rights of a female employee did not conflict with her rights as a surviving member of the family of an employee.

**BENEFITS TO "AGGREGATE" MEMBERS.**—The "aggregate" member, when relieved from duty because of disability, received a lump-sum benefit computed according to the same rules, but after deducting the amount paid to him by the pension fund.

If the "aggregate" member was entitled to a pension from the pension fund, the mutual benefit society added to this an additional amount necessary to bring the pension up to 365 lire (\$70.45).

**BENEFITS TO SURVIVORS.**—The earlier organization of the mutual benefit societies did not provide for any pensions to the widows or orphans of deceased members or pensioners of those societies. But the law of April 22, 1905 (Art. 21), regulating the operation of railroads by the Government, provided for this important extension beginning with July 1, 1905, i. e., for the widows and orphans of those members who die or leave the railroad service after June 30, 1905.

No rights were acquired by this amendment by the survivors of deceased members who died before July 1, 1905, or who died subsequently but had been separated from the service before July 1, 1905.

The widow's right was subject to the condition that she had not been legally separated from her husband through any fault of hers. Furthermore, both her rights and those of her children were conditioned upon the following: That her marriage had taken place at least two years before the day of the member's death or dismissal from service, and that it was solemnized before the husband was 50 years old. This latter condition was waived, however, if the death was due to malaria or injury. All minor children, whether legitimate, illegitimate, adopted, etc., provided they were unmarried, were entitled to share in the pension.

These conditions, applicable to widows and children, were waived in case of marriages solemnized before July 1, 1905. The widows' pensions were to run until death or remarriage, and the children's pensions until reaching majority, or in case of the girls, until marriage, if preceding such majority.

The pension which the deceased member had been actually receiving before death, or if he died in active service, that to which he would have been entitled if he had been forced to resign because of invalidity on the day of his death, was taken as a basis of these widows' and orphans' pensions.

Of the actual or computed amount of the member's pension the widow received 50 per cent if she alone survived, and if minor children also survived she received 65 per cent in all. If children alone survived they received 50 per cent equally distributed, with a new redistribution every time one of them became of age. If only one minor child survived he received 25 per cent.

If in addition to the widow and her children other minor children of the deceased by a previous marriage survived, the 65 per cent was distributed in equal shares among all these survivors, the widow receiving two shares, and in no case less than 25 per cent.

These pensions or continuous payments to the widow and children were evidently the exception, for they were due only to the widow or children of such members as were receiving or were entitled to pensions at the time of death, and moreover, only if the granting of the pension or the death in service had taken place since July 1, 1905. If the husband died in active service before 15 years of membership, or if he died as a pensioner, said pension having been granted to him before July 1, 1905, the family received only a small lump-sum benefit. If he died in service this lump sum amounted to one-twentieth of the average annual salary of the last three years of service, for each year of membership in the society, with a minimum of two months' pay and a maximum of one year's pay according to such

average salary, and in case of death being due to an injury or malaria acquired in service, the lump sum was increased, as in other cases, one-fourth, with a minimum limit of six months of the average annual salary, always excepting, of course, such cases of injury or disease which are compensated under special laws or regulations.

If a member who was relieved from the service and was receiving a pension died and his family was not entitled to receive this pension, not satisfying all of the necessary conditions, then the family received the same lump sum as above, minus the sum of continuous payments made to the member before death, with a minimum of four times the monthly pension of the deceased.

**LOSS OF PENSION RIGHT.**—As in the case of the pension fund, the member lost all rights to any benefits by resignation or dismissal. In case of voluntary resignation his family also lost all rights, while in case of dismissal the wife and children had rights equal to those of a widow and orphans in case of death of the member. There were some regulations providing for reinstatement in membership in case of recognized mistake in a disciplinary dismissal. But disregarding these, the loss of rights to pensions and other benefits by dismissal or resignation must be considered a very serious feature of the organization, especially in view of the large monthly contributions to the revenue of the society from the small earnings of the members.

**ACCIDENT COMPENSATION.**—Similarly to the pension fund the mutual benefit society was intrusted with the duty of accident compensation. The pension fund assumed this duty toward all its members who came within the provisions of the accident insurance law. The mutual benefit society did the same toward those of its members, covered by the law, who were not at the same time members of the pension fund, and also toward such railroad employees as were covered by the accident law, and who were not members of any of the provident institutions and were not insured in some other way.

The provisions regulating this branch of the society's activity were practically identical with those concerning the same function of the pension funds. The basis of it was that the nonmembers who came within the provisions of the accident law received from the mutual benefit society the payments as regulated by the law; members received the payments due to them as members, and if this amount was less than that granted by the accident law, an additional sum to make up the difference. In other words, the injured or his family could receive only one of the compensations due either under the society's constitution or the accident law, receiving only the larger of the two. The cost of these accident cases did not impose any burden upon the finances of the society, as the administration of the railroad paid into the society's treasury the amount of compensa-



tion due under the law, the cost of medical treatment, etc. When pensions instead of lump-sum payments were due under the accident law, the capital necessary was transferred to the National Old-Age and Invalidity Insurance Institution, by which the annuities were paid.

#### SOURCES OF INCOME.

Notwithstanding the important extension of benefits by the law of April 22, 1905, granting widows and orphans' pensions, the general scale of benefits paid by the mutual benefit society was somewhat lower than that of the pension fund. On the other hand, the cost of medical service and sick benefits was a charge which the pension fund was not called upon to meet. The sources of revenue of the mutual benefit society were numerous, as is seen from the following list:

1. Assets transferred to the society at the time of its organization, or to be transferred to it in conformance with the law of March 29, 1900 (surtax upon rates.)
2. The deductions from the members' pay.
3. Contributions from the railroad administration.
4. Income from fines and penalties imposed upon the railroad personnel.
5. The net proceeds of the sale of unclaimed articles found anywhere on the railroad premises.
6. The net proceeds from the sale of railroad tariffs and timetables.
7. The unclaimed overcharges on freight.
8. Excess sums found in the cash accounts of stations.
9. Donations and legacies without special designation of purpose.
10. All other revenue which may be assigned to the society.
11. Income for the investment of the funds.

**MEMBERS' CONTRIBUTIONS.**—Most of these sources of revenue were indefinite, contingent upon many other conditions; but the contributions of the employees and employers were strictly established by the constitution.

The ordinary members contributed until October 21, 1902, 3 per cent, and since that date  $3\frac{1}{2}$  per cent of their salaries and other emoluments for contract work, overtime, etc. As in the case of the pension funds, these contributions were partly offset by an annual redistribution among those members who are subject to the accident law of one-half of the reimbursements from the railroad administration to the society for payments under the accident insurance. The reason for such redistribution is patent. As the mutual benefit society out of its own funds compensated for invalidity due to accidents those of its members who were not protected by the accident law and was



reimbursed when granting accident compensations to persons so protected, it is evident that a portion of its revenues was expended in a form of benefits, payable only to those of its members not otherwise provided for, and if their contributions were equal to those of the members protected by the accident law, then in view of the mutual character of the society, one class of members would be contributing for the benefit of the other class. The amount so distributed was very slight however.

The "aggregate" members, whose rights to benefit were rather limited, paid only 1 per cent of their salary.

**EMPLOYERS' CONTRIBUTION.**—The regular contributions of the railroad administration were increased twice since their reorganization in 1890. Up to October 21, 1902, they amounted to 3 per cent, or were equal to those of the employees. From October 21, 1902, to December 31, 1905, they were 4.2 per cent, and since January 1, 1906, they became very heavy, amounting to 8.15 per cent of the annual wages of the "ordinary" members. It contributed nothing on account of the "aggregate" members. This contribution was increased since the nationalization of the railroad business, when pensions to widows and orphans were introduced, thus considerably reducing the difference between the respective benefits of the better paid members of the pension fund and the lower paid members of the mutual benefit society.

#### ADMINISTRATION.

The rules for administration of the mutual benefit society were practically identical with those of the pension fund.

#### STATISTICS.

**MEMBERSHIP.**—The movement of the membership of the three mutual benefit societies is shown in the following table. The decrease in membership was even more rapid than in the case of the pension funds, for a large proportion of the members were employees of the lower grades, in which changes are more frequent and tenure of service less secure. As was explained above, there were two grades of membership, "ordinary" and "aggregate," the latter holding membership in the pension fund at the same time. The total average annual membership decreased from 60,851 to 36,789, or nearly 40 per cent. The greatest reduction was in the number of "aggregate" members, which was reduced to less than one-half, decreasing from the time of the first reorganization of the society in 1890. The number of "ordinary" members began to decrease in 1896, when admission of new members was discontinued. The decrease of members proceeded from two reasons, not only because of separation from

the service, through death, invalidity, resignation, dismissal or any other reason, but also by promotion from a daily wage to a monthly salary, which carried with it a transfer from membership in the mutual benefit society to that in the pension fund.

AVERAGE ANNUAL MEMBERSHIP OF THE THREE MUTUAL BENEFIT SOCIETIES,  
1890 TO 1907.

[Source: The annual reports of the societies.]

Year.	Adriatic society.			Mediterranean society.			Sicilian society.	Total.		
	"Ordinary" members.	"Aggregate" members.	Total membership.	"Ordinary" members.	"Aggregate" members.	Total membership.	"Ordinary" members.	"Ordinary" members.	"Aggregate" members.	Total membership.
1890.....	20,801	5,713	26,514	18,060	13,792	31,852	2,485	41,346	19,505	60,851
1891.....	21,691	5,508	27,199	18,061	13,399	31,460	2,459	42,211	18,907	61,118
1892.....	21,418	5,148	26,566	18,103	13,002	31,105	2,405	41,926	18,150	60,076
1893.....	20,603	4,841	25,444	18,549	12,636	31,185	2,405	41,557	17,477	59,034
1894.....	19,788	4,611	24,399	18,936	12,193	31,129	2,444	41,168	16,804	57,972
1895.....	19,128	4,369	23,497	19,442	11,734	31,176	2,605	41,175	16,103	57,278
1896.....	18,605	4,135	22,740	20,263	11,349	31,612	2,751	41,619	15,484	57,103
1897.....	17,950	3,906	21,856	20,301	10,976	31,277	2,743	40,994	14,882	55,876
1898.....	17,161	3,681	20,842	19,329	10,574	29,903	2,632	39,122	14,255	53,377
1899.....	16,465	3,456	19,921	18,540	10,144	28,684	2,491	37,496	13,600	51,096
1900.....	15,744	3,255	18,999	17,923	9,690	27,613	2,347	36,014	12,945	48,959
1901.....	15,083	3,057	18,140	17,110	9,218	26,328	2,230	34,423	12,275	46,698
1902.....	14,525	2,824	17,349	16,409	8,768	25,177	2,139	33,073	11,592	44,665
1903.....	13,981	2,588	16,569	15,878	8,360	24,238	2,039	31,898	10,948	42,846
1904.....	13,513	2,356	15,869	15,322	7,921	23,243	1,946	30,781	10,277	41,058
1905.....	13,136	2,165	15,304	14,839	7,512	22,351	1,887	29,862	9,650	39,512
1906.....	12,829	2,014	14,853	14,404	7,171	21,575	1,845	29,078	9,195	38,273
1907 (a).....	12,602	1,909	14,511	14,060	6,942	21,002	1,808	28,470	8,851	37,321
1907 (b).....								27,960	8,478	36,438
1907.....								28,210	8,579	36,789

a First six months.

b Last six months; united society.

The number of employees separated from the service through disability, death, resignation or dismissal is shown for the mutual benefit societies as far as data were available in the following table. The rate of retirement is somewhat lower than that of the membership of the pension funds, because there is no provision for regular old-age retirement and because of the transfer of large numbers of older men to the pension funds. The death rate does not appear to be much greater than for the pension fund membership.

MOVEMENT OF MEMBERSHIP IN THE MUTUAL BENEFIT SOCIETIES, 1902 TO 1907.

[Source: The annual reports of the societies.]

Society and year.	Number of members—			Members lost because of—									
	In Jan- uary.	Ad- mit- ted dur- ing year.	Total.	Disability.				Death.				Resignation or dismissal.	
				Due to old age and inva- lidity.	Due to accid- ent.	To- tal.	Per- cent.	Nat- ural.	Acci- den- tal.	To- tal.	Per- cent.	Num- ber.	Per- cent.
1902.....	33,604	14	33,618	325	14	620	1.0	124	17	288	0.9	166	0.49
1903.....	32,505	10	32,515	375	21	694	2.1	98	14	287	.9	258	.79
1904.....	31,373	3	31,376	(a)	(a)	555	1.8	(a)	(a)	273	.9	156	.50
1905.....	30,292	8	30,300	(a)	(a)	452	1.5	(a)	(a)	307	1.0	117	.39
1906.....	29,434	2	29,436	(a)	(a)	359	1.2	(a)	(a)	271	.9	85	.29
1907 (b).....	28,721	.....	28,721	(a)	(a)	243	2.0	(a)	(a)	192	1.2	65	.34
1907 (c).....	28,321	3	28,324	(a)	(a)	351		(a)	(a)	144		30	

a Not separately reported.    b First six months.    c Last six months; united society.    d In July.

SALARIES.—For the proper appreciation of the data concerning the pensions granted it is necessary to get a clear idea as to the average salaries paid, and such data would be meaningless unless given by separate occupational groups. Such data are presented in the following table, as far as available, namely, for the Adriatic fund for 1890 to 1903 and for the Mediterranean fund for 1890 to 1901. In the original reports of the Adriatic fund the wages were stated by the day for 1890 to 1892, and in the subsequent years they were stated in computed annual amounts on the assumption of 340 working days per annum. The same method of computation was therefore used for the earlier three years as well.

The average earnings of the entire membership of these societies are only about one-half of that of the members of the pension funds. This is partly due to the inclusion of the female employees in the track service who are paid a mere pittance of about \$33 to \$35 per annum. But the differences are considerable even if separate groups are considered, which clearly indicates that the lower-paid portion of the personnel held membership in the mutual benefit societies. Some increase in the average salary has been noticeable, but not so great as in case of those who belonged to the pension funds. There is practically none as far as the Mediterranean society is concerned for the years 1890 to 1901, and the increase in the Adriatic society seems to be due mainly to the rapid decrease in the number of employees of some low-paid groups. As the promotion of an employee to a higher group was followed by his transfer to the pension fund, this explains the slow rate of increase of the average salary.

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1971

## MEMBERS OF THE MUTUAL BENEFIT SOCIETIES AND THEIR AVERAGE ANNUAL WAGES, 1890 TO 1903, BY BRANCH OF THE SERVICE.

[Source: The annual reports of the societies.]

Society and year.	Engineers and firemen.		Train service.		Maintenance of way (males).		Maintenance of way (females).	
	Mem- bers.	Aver- age an- nual wages.	Mem- bers.	Aver- age an- nual wages.	Mem- bers.	Aver- age an- nual wages.	Mem- bers.	Aver- age an- nual wages.
<b>Adriatic Society:</b>								
1890.....	705	\$177	893	\$140	7,904	\$108	663	\$32
1891.....	771	177	893	143	7,795	108	579	32
1892.....	812	177	887	145	7,476	109	453	33
1893.....	508	177	889	148	7,284	110	428	33
1894.....	450	179	929	149	7,055	111	398	32
1895.....	343	184	952	151	6,904	111	354	33
1896.....	334	185	958	154	6,787	112	322	33
1897.....	275	192	785	156	6,440	113	289	33
1898.....	225	198	701	159	6,206	114	250	33
1899.....	175	207	627	163	5,975	115	213	34
1900.....	112	230	536	169	5,772	116	194	34
1901.....	106	239	480	176	5,536	118	172	34
1902.....	109	243	436	182	5,333	123	149	34
1903.....	107	246	418	187	5,066	125	135	34
<b>Mediterranean Society:</b>								
1890.....	310	189	376	146	4,496	111	1,202	35
1891.....	283	185	319	147	4,583	111	1,168	34
1892.....	358	175	315	148	5,078	109	1,317	34
1893.....	357	175	322	148	5,454	108	1,431	34
1894.....	356	177	325	145	5,848	107	1,550	34
1895.....	345	176	366	144	6,195	107	1,750	33
1896.....	337	177	440	141	6,498	106	1,695	33
1897.....	364	177	501	141	6,331	107	1,622	33
1898.....	333	175	598	140	6,159	107	1,554	33
1899.....	421	173	706	140	6,039	108	1,476	33
1900.....	468	172	842	141	5,883	111	1,389	33
1901.....	505	169	823	141	5,666	112	1,299	33
Society and year.	Station service.		Office employees, etc.		Shop employees.		Total.	
	Mem- bers.	Aver- age an- nual wages.	Mem- bers.	Aver- age an- nual wages.	Mem- bers.	Aver- age an- nual wages.	Mem- bers.	Aver- age an- nual wages.
<b>Adriatic Society:</b>								
1890.....	7,195	\$138	246	\$182	4,006	\$191	21,612	\$135
1891.....	7,417	138	238	184	4,070	191	21,763	137
1892.....	7,214	139	236	184	3,992	192	21,070	138
1893.....	6,960	142	250	185	3,818	194	20,137	140
1894.....	6,641	144	269	184	3,697	195	19,439	141
1895.....	6,408	146	267	183	3,589	197	18,817	143
1896.....	6,254	148	276	187	3,461	198	18,392	144
1897.....	6,099	151	273	188	3,348	200	17,509	146
1898.....	5,902	153	282	189	3,248	202	16,814	148
1899.....	5,717	156	274	194	3,137	204	16,118	150
1900.....	5,520	158	270	196	2,963	207	15,367	152
1901.....	5,352	161	285	202	2,845	210	14,776	155
1902.....	5,175	166	291	211	2,743	220	14,236	161
1903.....	4,991	169	288	215	2,669	223	13,674	164
<b>Mediterranean Society:</b>								
1890.....	6,680	138	389	196	4,805	203	18,258	144
1891.....	6,525	138	330	202	4,655	202	17,863	143
1892.....	6,347	137	301	202	4,627	200	18,343	140
1893.....	6,395	138	260	201	4,536	200	18,755	138
1894.....	6,206	138	258	208	4,573	208	19,116	139
1895.....	6,257	138	221	216	4,635	209	19,769	137
1896.....	6,531	138	306	208	4,951	207	20,758	138
1897.....	6,031	139	200	229	4,796	210	19,845	139
1898.....	5,427	140	128	252	4,614	212	18,813	140
1899.....	4,981	143	130	249	4,513	216	18,266	142
1900.....	4,537	145	140	245	4,321	217	17,580	144
1901.....	4,169	144	175	259	4,012	220	16,649	145

**STATISTICS OF SICKNESS.**—During the period 1891 to 1900 the Mediterranean fund published very interesting statistical data concerning the cause of disability, data which give a rare and valuable opportunity to compare the sickness rates and the nature of diseases affecting the seven classes of railroad employees. There is so little reliable sickness statistics by occupations in this country, that the presentation of these data is thought to be useful.

In the following table the data for 1891 had to be discarded because presented on a different classification of diseases. As the numbers upon which the rates are based are not very large (about 30,000 employees for each year), and for each separate group, very much smaller, it was thought preferable to combine the data for the nine years and compute the rates and percentages from these combined data. The total membership for the nine years is: For engineers and firemen, 16,027; train service, 16,620; maintenance of way (male employees), 81,385; maintenance of way (female employees), 16,370; station service, 97,853; office force, etc., 6,367; shop employees, 41,762; total, 273,684. In this table the difference between the "ordinary" and "aggregate" members is disregarded and all sickness is included, whether compensated or not.

The variations from year to year are not disclosed in these tables. Such variations may be due to purely local or temporary causes and are not important, but rather form a disturbing element in the study of sickness rates, except as they might indicate a tendency toward an increase or decrease.

**CAUSES OF DISABILITY OF THE MEMBERS OF THE MEDITERRANEAN RAILROAD MUTUAL BENEFIT SOCIETY FOR THE NINE YEARS 1892 TO 1900, BY BRANCH OF SERVICE.**

[Computed from the annual reports of the societies.]

Causes of disability.	Engineers and firemen.						
	Cases of disability.			Days of disability.			
	Number.	Per cent of total.	Average per 100 members.	Number.	Per cent of total.	Average per case.	Average per 100 members.
<b>DISEASES.</b>							
Infectious diseases.....	9,668	22.2	60.3	77,149	16.7	8.0	481.4
Malaria.....	2,805	6.5	17.5	32,635	7.1	11.6	203.6
General tuberculosis.....	60	.1	.4	3,259	.7	54.3	20.3
Syphilis.....	218	.5	1.4	4,568	1.0	21.0	28.5
Diseases of—							
Metabolism.....	152	.3	.9	1,837	.4	12.1	11.5
Nervous system.....	2,071	4.8	12.9	24,170	5.2	11.7	150.8
Respiratory system.....	3,110	7.2	19.4	43,256	9.4	13.9	269.9
Circulatory system.....	778	1.8	4.9	11,899	2.6	15.3	74.2
Genito-urinary system.....	453	1.0	2.8	7,096	1.5	15.7	44.3
Digestive system.....	10,085	23.2	62.9	73,271	15.9	7.3	457.4
Organs of locomotion.....	5,205	12.0	32.5	59,820	12.9	11.5	373.2
The skin.....	3,922	9.0	24.5	52,318	11.3	13.3	326.4
Affecting sight.....	1,331	3.1	8.3	14,212	3.1	10.7	88.7
Affecting hearing.....	147	.3	.9	1,589	.3	10.8	9.9
Hernia.....	98	.2	.6	1,890	.4	19.3	11.8
Total.....	40,103	92.2	250.2	408,968	88.5	10.2	2,551.7

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1973

## CAUSES OF DISABILITY OF THE MEMBERS OF THE MEDITERRANEAN RAILROAD MUTUAL BENEFIT SOCIETY FOR THE NINE YEARS 1892 TO 1900, BY BRANCH OF SERVICE—Continued.

Causes of disability.	Engineers and firemen.						
	Cases of disability.			Days of disability.			
	Number.	Per cent of total.	Average per 100 members.	Number.	Per cent of total.	Average per case.	Average per 100 members.
<b>ACCIDENTS.</b>							
Not in service.....	850	2.0	5.3	10,013	2.2	11.7	62.5
In service.....	2,538	5.8	15.9	42,903	9.3	16.9	267.7
Total.....	3,388	7.8	21.2	52,916	11.5	15.6	330.2
Grand total.....	43,491	100.0	271.4	461,884	100.0	10.6	2,881.9
<b>Train service.</b>							
<b>DISEASES.</b>							
Infectious diseases.....	8,385	26.2	50.4	60,448	20.0	7.2	363.7
Malaria.....	2,387	7.5	14.4	22,630	7.5	9.5	136.2
General tuberculosis.....	26	.1	.2	1,792	.6	68.9	10.8
Syphilis.....	138	.4	.8	3,010	1.0	21.8	18.1
Diseases of—							
Metabolism.....	161	.5	1.0	1,930	.6	12.0	11.6
Nervous system.....	1,520	4.8	9.1	16,682	5.5	11.0	100.4
Respiratory system.....	2,692	8.4	16.2	32,403	10.7	12.0	195.0
Circulatory system.....	671	2.1	4.0	8,259	2.7	12.3	49.7
Genito-urinary system.....	350	1.1	2.1	5,063	1.7	14.5	30.5
Digestive system.....	7,575	23.7	45.6	47,342	15.7	6.2	284.8
Organs of locomotion.....	2,938	9.2	17.7	35,203	11.6	12.0	211.8
The skin.....	2,500	7.8	15.0	30,289	10.0	12.1	182.2
Affecting sight.....	714	2.2	4.3	7,453	2.5	10.4	44.8
Affecting hearing.....	101	.3	.6	1,222	.4	12.1	7.4
Hernia.....	53	.2	.3	800	.3	15.1	4.8
Total.....	30,211	94.5	181.8	274,531	90.8	9.1	1,651.8
<b>ACCIDENTS.</b>							
Not in service.....	567	1.8	3.4	6,256	2.1	11.0	37.6
In service.....	1,176	3.7	7.1	21,536	7.1	18.5	129.6
Total.....	1,743	5.5	10.5	27,792	9.2	15.9	167.2
Grand total.....	31,954	100.0	192.3	302,323	100.0	9.5	1,819.0
<b>Maintenance of way (male employees).</b>							
<b>DISEASES.</b>							
Infectious diseases.....	23,507	22.9	28.9	161,481	17.2	6.9	198.4
Malaria.....	31,967	31.2	39.3	217,593	23.1	6.8	267.4
General tuberculosis.....	122	.1	.1	6,160	.6	50.5	7.6
Syphilis.....	145	.1	.2	2,252	.2	15.5	2.8
Diseases of—							
Metabolism.....	324	.3	.4	3,516	.4	10.9	4.3
Nervous system.....	3,490	3.4	4.3	41,352	4.4	11.8	50.8
Respiratory system.....	8,008	7.8	9.8	108,517	11.5	13.6	133.3
Circulatory system.....	1,080	1.0	1.3	15,137	1.6	14.7	18.6
Genito-urinary system.....	718	.7	.9	9,982	1.1	13.9	12.3
Digestive system.....	12,585	12.3	15.5	97,564	10.4	7.8	119.9
Organs of locomotion.....	6,794	6.7	8.3	88,566	9.4	13.0	108.8
The skin.....	7,169	7.0	8.8	88,606	9.4	12.4	108.9
Affecting sight.....	1,660	1.6	2.0	19,410	2.1	11.7	23.8
Affecting hearing.....	227	.2	.3	2,529	.3	11.1	3.1
Hernia.....	170	.2	.2	3,185	.3	18.7	3.9
Total.....	97,916	95.5	120.3	865,860	92.0	8.8	1,063.9



CAUSES OF DISABILITY OF THE MEMBERS OF THE MEDITERRANEAN RAILROAD  
MUTUAL BENEFIT SOCIETY FOR THE NINE YEARS 1892 TO 1900, BY BRANCH OF  
SERVICE—Continued.

Causes of disability.	Maintenance of way (male employees).						
	Cases of disability.			Days of disability.			
	Number.	Per cent of total.	Average per 100 members.	Number.	Per cent of total.	Average per case.	Average per 100 members.
<b>ACCIDENTS.</b>							
Not in service.....	1,625	1.6	2.0	20,326	2.2	12.5	25.0
In service.....	3,016	2.9	3.7	54,144	5.8	18.0	66.5
Total.....	4,641	4.5	5.7	74,470	8.0	16.0	91.5
Grand total.....	102,557	100.0	126.0	940,320	100.0	9.2	1,155.4
<b>Maintenance of way (female employees).</b>							
<b>DISEASES.</b>							
Infectious diseases.....	2,510	20.0	18.4	21,150	14.6	8.4	154.7
Malaria.....	2,774	22.1	20.3	24,736	17.0	8.9	180.9
General tuberculosis.....	24	.2	.2	1,383	.9	5.8	10.1
Syphilis.....	5	(a)	(b)	242	.2	48.4	1.8
Diseases of—							
Metabolism.....	59	.5	.4	1,110	.8	18.8	8.1
Nervous system.....	494	3.9	3.6	5,792	4.0	11.7	42.4
Respiratory system.....	909	7.3	6.7	14,013	9.7	15.4	102.5
Circulatory system.....	188	1.5	1.4	2,675	1.8	14.2	19.6
Genito-urinary system.....	2,720	21.7	19.9	39,947	27.5	14.7	292.2
Digestive system.....	1,524	12.1	11.1	15,030	10.4	9.9	106.9
Organs of locomotion.....	459	3.7	3.4	5,653	3.9	12.3	41.4
The skin.....	469	3.7	3.4	6,494	4.5	13.8	47.5
Affecting sight.....	162	1.3	1.2	2,172	1.5	13.4	15.9
Affecting hearing.....	28	.2	.2	289	.2	10.3	2.1
Hernia.....	5	(a)	(b)	108	.1	21.6	.8
Total.....	12,330	98.2	90.2	140,794	97.1	11.5	1,029.9
<b>ACCIDENTS.</b>							
Not in service.....	95	.8	.7	1,272	.9	13.4	9.3
In service.....	130	1.0	.9	2,932	2.0	22.6	21.5
Total.....	225	1.8	1.6	4,204	2.9	18.7	30.8
Grand total.....	12,555	100.0	91.8	144,998	100.0	11.5	1,060.7
<b>Station service.</b>							
<b>DISEASES.</b>							
Infectious diseases.....	42,328	24.1	43.3	302,599	17.5	7.1	309.2
Malaria.....	24,444	14.0	25.0	194,110	11.3	7.9	198.4
General tuberculosis.....	303	.2	.3	14,291	.8	47.2	14.6
Syphilis.....	414	.2	.4	8,169	.5	19.7	8.3
Diseases of—							
Metabolism.....	804	.5	.8	9,825	.6	12.2	10.0
Nervous system.....	7,958	4.5	8.1	90,629	5.3	11.4	92.6
Respiratory system.....	14,048	8.0	14.4	195,786	11.4	13.9	200.1
Circulatory system.....	2,645	1.5	2.7	33,030	1.9	12.5	33.8
Genito-urinary system.....	1,331	.8	1.4	21,333	1.2	16.1	21.8
Digestive system.....	33,127	18.9	33.8	232,578	13.5	7.0	237.7
Organs of locomotion.....	15,996	9.1	16.3	188,841	10.9	11.8	193.0
The skin.....	15,329	8.7	15.7	196,995	11.4	12.9	201.3
Affecting sight.....	3,507	2.0	3.6	40,241	2.3	11.5	41.1
Affecting hearing.....	458	.3	.5	4,790	.3	10.5	4.9
Hernia.....	407	.2	.4	6,898	.4	16.9	7.1
Total.....	163,099	93.0	166.7	1,540,115	89.3	9.4	1,573.9

<sup>a</sup> Less than one-tenth of 1 per cent.

<sup>b</sup> Less than one-tenth of a case.

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1975

## CAUSES OF DISABILITY OF THE MEMBERS OF THE MEDITERRANEAN RAILROAD MUTUAL BENEFIT SOCIETY FOR THE NINE YEARS 1892 TO 1900, BY BRANCH OF SERVICE—Continued.

Causes of disability.	Station service.						
	Cases of disability.			Days of disability.			
	Number.	Per cent of total.	Average per 100 members.	Number.	Per cent of total.	Average per case.	Average per 100 members.
<b>ACCIDENTS.</b>							
Not in service.....	3,538	2.0	3.6	38,943	2.3	11.0	39.8
In service.....	8,739	5.0	8.9	145,667	8.4	16.7	148.9
Total.....	12,277	7.0	12.5	184,610	10.7	15.0	188.7
Grand total.....	175,376	100.0	179.2	1,724,725	100.0	9.8	1,762.6
<b>Office force, etc.</b>							
<b>DISEASES.</b>							
Infectious diseases.....	2,177	23.8	34.2	16,985	17.5	7.8	266.8
Malaria.....	1,995	21.4	31.3	19,833	20.4	9.9	311.5
General tuberculosis.....	19	.2	.3	557	.6	29.3	8.8
Syphilis.....	41	.4	.6	763	.8	18.6	12.0
Diseases of—							
Metabolism.....	37	.4	.6	347	.4	9.4	5.5
Nervous system.....	497	5.3	7.8	4,899	5.0	9.9	76.9
Respiratory system.....	885	9.5	13.9	13,303	13.7	15.0	208.9
Circulatory system.....	209	2.2	3.3	2,975	3.1	14.2	46.7
Genito-urinary system.....	126	1.3	2.0	2,650	2.7	21.0	41.6
Digestive system.....	1,883	20.2	29.6	15,341	15.8	8.1	240.9
Organs of locomotion.....	556	6.0	8.7	7,264	7.5	13.1	114.1
The skin.....	496	5.3	7.8	6,240	6.4	12.6	98.0
Affecting sight.....	159	1.7	2.5	2,085	2.2	13.1	32.8
Affecting hearing.....	44	.5	.7	462	.5	10.5	7.3
Hernia.....	12	.1	.2	212	.2	17.7	3.3
Total.....	9,136	97.8	143.5	93,916	96.8	10.3	1,475.1
<b>ACCIDENTS.</b>							
Not in service.....	102	1.1	1.6	1,396	1.4	13.7	21.9
In service.....	101	1.1	1.6	1,751	1.8	17.3	27.5
Total.....	203	2.2	3.2	3,147	3.2	15.5	49.4
Grand total.....	9,339	100.0	146.7	97,063	100.0	10.4	1,524.5
<b>Shop employees.</b>							
<b>DISEASES.</b>							
Infectious diseases.....	14,778	22.6	35.4	117,490	15.6	8.0	281.3
Malaria.....	1,835	2.8	4.4	16,802	2.2	9.2	40.2
General tuberculosis.....	95	.2	.2	8,085	1.1	85.1	19.4
Syphilis.....	417	.6	1.0	10,750	1.4	25.8	25.7
Diseases of—							
Metabolism.....	323	.5	.8	3,912	.5	12.1	9.4
Nervous system.....	3,346	5.1	8.0	38,342	5.1	11.5	91.8
Respiratory system.....	4,745	7.3	11.4	80,705	10.7	17.0	193.2
Circulatory system.....	1,394	2.1	3.3	22,563	3.0	16.2	54.0
Genito-urinary system.....	700	1.1	1.7	12,429	1.7	17.8	29.8
Digestive system.....	13,496	20.7	32.3	95,576	12.7	7.1	228.9
Organs of locomotion.....	6,602	10.1	15.8	87,314	11.6	13.2	200.1
The skin.....	8,038	12.3	19.2	113,192	15.1	14.1	271.0
Affecting sight.....	1,635	2.5	3.9	20,253	2.7	12.4	48.5
Affecting hearing.....	156	.2	.4	1,840	.3	11.8	4.4
Hernia.....	222	.3	.5	3,366	.5	15.2	8.1
Total.....	57,784	88.4	138.3	632,619	84.2	10.9	1,514.8
<b>ACCIDENTS.</b>							
Not in service.....	1,463	2.3	3.5	18,737	2.5	12.8	44.9
In service.....	6,089	9.8	14.6	100,147	13.3	16.4	239.8
Total.....	7,552	11.6	18.1	118,884	15.8	15.7	284.7
Grand total.....	65,336	100.0	156.4	751,503	100.0	11.5	1,799.5

**CAUSES OF DISABILITY OF THE MEMBERS OF THE MEDITERRANEAN RAILROAD  
MUTUAL BENEFIT SOCIETY FOR THE NINE YEARS 1892 TO 1900, BY BRANCH OF  
SERVICE—Concluded.**

Causes of disability.	All employees.						
	Cases of disability.			Days of disability.			
	Number.	Per cent of total.	Average per 100 members.	Number.	Per cent of total.	Average per case.	Average per 100 members.
<b>DISEASES.</b>							
Infectious diseases.....	103,853	23.5	37.8	757,302	17.1	7.3	276.7
Malaria.....	68,207	15.5	24.9	528,339	12.0	7.7	193.0
General tuberculosis.....	649	.1	.2	35,527	.8	54.7	13.0
Syphilis.....	1,378	.3	.5	29,754	.7	21.6	10.9
Diseases of—							
Metabolism.....	1,860	.4	.7	22,477	.5	12.1	8.2
Nervous system.....	19,376	4.4	7.1	221,866	5.0	11.5	81.1
Respiratory system.....	34,397	7.8	12.6	487,968	11.0	14.2	178.3
Circulatory system.....	6,915	1.6	2.5	96,538	2.2	14.0	35.3
Genito-urinary system.....	6,398	1.5	2.3	98,500	2.2	15.4	36.0
Digestive system.....	80,277	18.2	29.3	576,702	13.0	7.2	210.7
Organs of locomotion.....	38,550	8.7	14.1	472,661	10.7	12.3	172.7
The skin.....	37,923	8.6	13.9	494,134	11.2	13.0	180.5
Affecting sight.....	9,168	2.1	3.3	105,826	2.4	11.5	28.7
Affecting hearing.....	1,161	.3	.4	12,720	.3	11.0	4.6
Hernia.....	967	.2	.4	16,459	.4	17.0	6.0
<b>Total.....</b>	<b>410,579</b>	<b>93.2</b>	<b>150.0</b>	<b>3,956,793</b>	<b>89.5</b>	<b>9.6</b>	<b>1,445.7</b>
<b>ACCIDENTS.</b>							
Not in service.....	8,240	1.9	3.0	96,943	2.2	11.8	35.4
In service.....	21,789	4.9	8.0	369,080	8.3	16.9	134.9
<b>Total.....</b>	<b>30,029</b>	<b>6.8</b>	<b>11.0</b>	<b>466,023</b>	<b>10.5</b>	<b>15.5</b>	<b>170.3</b>
<b>Grand total.....</b>	<b>440,608</b>	<b>100.0</b>	<b>161.0</b>	<b>4,422,816</b>	<b>100.0</b>	<b>10.0</b>	<b>1,616.0</b>

A few of the most important data of this table may well be emphasized here. The number of cases of disability per 100 members was 161, and the number of sick days per 100 members 1,616, or 1.6 cases and over 16 days of sickness per member per annum. These exceedingly high rates may partly be explained by the unhealthy climatic conditions in some parts of Italy; the high frequency of malaria and other infectious diseases seems to point in that direction. How much the liberal sick benefits act to cause malingery and fraud it is, of course, impossible to say.

Accidents are responsible only for a small part of the loss of time. Of all cases of temporary disability only 6.8 per cent were due to accidents and 93.2 per cent to sickness, the average duration of the accident cases, however, being 15.5 days, as against 9.6 days for sickness, so that accidents were responsible for 10.5 per cent of the loss of time.

General infectious diseases, malaria, and diseases of the digestive organs were most frequent, these three causes claiming 57.2 per cent of all cases of disability. But these had the shortest average duration, so that they claimed only 42.1 per cent of the days of disability.

The most important deductions are to be made from the comparison of the data of the seven separate groups.

The sickness rates vary greatly, the highest being shown by the engine service (engineers and firemen). Their occupation is, therefore, not only the most hazardous as far as accidents are considered, but also the most injurious to the health of the employees. The second group, train service (conductors, picket inspectors, trainmen, and brakemen), comes a close second, followed in a descending order by the station service (lower grade employees in stations, warehouses, and offices, such as watchmen, lampers, oilers, cleaners, and similar occupations, but not the workmen in the shops) and office employees. The lowest sickness rate is shown by the service of maintenance of the way (trackmen, gatemen, etc.), and it is interesting to note that the average number of cases of sickness is lower for the female employees of this class, though the somewhat longer duration of each case of sickness reduces this difference when the number of days of sickness per 100 employees is considered. The injurious effect of the railroad business upon these employees of either sex is slighter, and their life in the open country gives them a lower sickness rate even than the much more highly paid office employees.

On the whole the same classes of diseases are conspicuous in all the groups, namely, infectious diseases, malaria, and diseases of the digestive system, except that the female employees show a very high rate of genito-urinary diseases, including the specific female disorders; nevertheless very interesting differences may be noticed on close examination of the data. Thus malaria is much more frequent among the maintenance-of-way service and the office employees, many of whom are permanently located in malarial regions, while the employees of the shop, train, and engine service show a much lower rate of malarial illness. Syphilis and genito-urinary diseases are most frequent among the engineers and firemen, and trainmen (disregarding the high rate of diseases of the latter class among female employees, due to special reasons) and much more frequent than among the persons in station service and in the maintenance-of-way group, a result of the irregular habits of employees, who are frequently obliged to stay away from home, while the trackmen, etc., are not subject to such influences.

In the class of nervous diseases, and again in the diseases of respiratory organs, of organs of locomotion, of the skin, and of the organs of the sight, the engineers and firemen show the highest rates, followed closely by the trainmen, indicating the deleterious effects of exposure and mental and physical strain inevitable in these occupations.

One reason why the figures for sickness as shown in the preceding table are so high, is that the total duration of the treatment and not the actual loss of time was given. For comparative purposes, therefore, the following is introduced, in which only such illness as led to actual loss of time is considered. The data extend from 1890 to 1900, inclusive, but no data were published for 1892 and 1893. The table also gives a comparison between one year and another. The two classes of membership are kept separated, so that a comparison between them is possible.

The sickness rates are found to fluctuate very materially between one year and another, the minimum average being 115.2, the maximum average 134.7, and the average loss of time from 12.3 to 18.1 days per person. But no tendency to an increased sickness rate or loss of time is noticeable. On the contrary, if the very high rate of 1900 be disregarded, the tendency seems to point throughout the preceding decade toward a decreasing sickness rate and loss of time.

A comparison of the sickness rates of the "ordinary" and "aggregate" members fails to disclose any very pronounced difference, though the treatment of these two groups by the mutual benefit societies was very much different. The "ordinary" members, paid on a per diem basis as was shown above, received in addition to all medical, surgical, and pharmaceutical assistance also a daily sick benefit of one-half their daily wage. The "aggregate" members did not receive this benefit from the mutual benefit societies, because their salaries being fixed on a monthly or annual basis, were not discontinued during illness. During eight of the nine years for which data are available, the rate for the "ordinary" members was higher, but for some years the difference is very small. For the entire period, the rate for the "aggregate" members was 117.6 per 100 employees, and for the "ordinary" members 126.2 per 100 employees. This comparison is not very conclusive, however, in view of the difference in the occupational distribution of these two groups. When comparisons by groups are made the sickness rates for "ordinary" members are found to be very much higher among the engineers and firemen, the train service and the service of maintenance of way, which may be due to the fact that the "aggregate" members represent on the whole higher-paid employees, many of whom were paid a monthly or annual salary, and so lost no time on account of illness.

# CHAPTER VII.—WORKMEN'S INSURANCE IN ITALY. 1979

CASES OF ILLNESS CAUSING LOSS OF EARNINGS AND DAYS LOST BY MEMBERS OF THE MEDITERRANEAN MUTUAL BENEFIT SOCIETY DURING THE YEARS 1900, 1901, AND 1904 TO 1909, BY BRANCH OF SERVICE AND YEAR.

[Source: The annual reports of the society.]

1900.....	383	1,176	307.8	11,495	3,009.1
1901.....	297	874	294.2	8,240	2,774.4
1904.....	377	806	223.4	8,409	2,230.5
1905.....	350	784	224.0	7,868	2,105.2
1906.....	341	766	224.4	7,329	2,149.3
1907.....	351	770	219.4	7,146	2,036.2
1908.....	338	590	182.1	6,130	1,579.9
1909.....	422	660	156.4	5,855	1,387.4
1900.....	482	849	176.1	8,260	1,732.4
<b>Train service:</b>					
1900.....	396	734	185.4	7,237	1,828.0
1901.....	347	1,044	300.9	9,743	2,907.8
1904.....	254	777	219.5	6,516	1,840.7
1905.....	346	768	222.0	6,524	1,884.7
1906.....	403	917	227.6	8,033	1,993.6
1907.....	470	868	188.2	7,842	1,668.0
1908.....	621	1,010	162.6	8,519	1,371.8
1909.....	716	1,076	150.6	9,187	1,283.1
1900.....	849	1,467	172.9	14,275	1,681.4
<b>Maintenance of way (males):</b>					
1900.....	4,383	4,835	110.2	57,030	1,301.2
1901.....	4,530	4,370	96.2	40,442	991.0
1904.....	5,617	6,785	120.8	58,962	1,049.5
1905.....	6,022	7,228	119.0	59,131	982.1
1906.....	6,346	7,632	120.2	66,970	1,055.2
1907.....	6,415	7,173	111.8	69,840	932.8
1908.....	6,237	7,033	112.7	62,074	995.3
1909.....	6,094	6,551	107.5	55,768	915.5
1900.....	5,942	7,266	122.3	66,001	1,120.8
<b>Maintenance of way (females):</b>					
1900.....	1,142	573	50.2	7,449	652.3
1901.....	1,155	547	46.2	6,601	557.1
1904.....	1,491	1,124	75.4	13,822	927.0
1905.....	1,650	1,225	74.2	14,306	967.1
1906.....	1,722	1,393	80.9	15,906	923.8
1907.....	1,658	1,145	69.1	14,578	878.8
1908.....	1,588	1,082	68.1	13,700	862.7
1909.....	1,515	1,044	68.9	12,964	855.7
1900.....	1,433	1,057	73.8	13,480	940.7
<b>Station service:</b>					
1900.....	6,495	6,507	131.0	92,697	1,427.2
1901.....	6,608	10,115	153.2	100,040	1,515.1
1904.....	6,251	9,295	148.7	92,236	1,475.5
1905.....	6,231	6,266	100.5	86,832	1,393.7
1906.....	6,394	8,920	139.5	91,603	1,432.3
1907.....	6,281	8,325	122.5	86,099	1,380.0
1908.....	5,630	6,902	122.6	76,194	1,353.3
1909.....	5,099	6,992	137.4	65,794	1,292.9
1900.....	4,651	7,092	165.4	74,677	1,605.6
<b>Office force:</b>					
1900.....	422	510	120.8	5,943	1,408.3
1901.....	360	308	84.2	2,429	955.3
1904.....	272	295	106.5	3,223	1,184.9
1905.....	289	191	79.9	1,920	908.6
1906.....	264	294	114.4	3,030	1,147.6
1907.....	253	204	80.6	2,215	968.6
1908.....	169	100	59.2	996	569.4
1909.....	130	84	64.6	725	557.7
1900.....	154	142	92.9	1,615	1,048.7
<b>Shop employees:</b>					
1900.....	4,840	6,326	130.7	85,857	1,778.9
1901.....	4,730	6,091	128.8	79,354	1,577.7
1904.....	4,574	6,671	145.8	79,856	1,745.9
1905.....	4,604	6,903	149.9	75,485	1,699.1
1906.....	4,798	6,221	129.8	69,328	1,146.2
1907.....	4,873	6,181	126.9	63,802	1,309.0
1908.....	4,696	6,057	129.0	66,555	1,419.4
1909.....	4,574	5,447	119.1	60,815	1,329.6
1900.....	4,412	6,426	145.6	69,935	1,585.2



CASES OF ILLNESS CAUSING LOSS OF EARNINGS AND DAYS LOST BY MEMBERS  
OF THE MEDITERRANEAN MUTUAL BENEFIT SOCIETY DURING THE YEARS  
1890, 1891, AND 1894 TO 1900, BY BRANCH OF SERVICE AND YEAR—Continued.

1890.....	18,060	22,061	128.5	85	1,482.8
1891.....	18,061	23,344	129.2	89	1,372.3
1894.....	18,906	25,827	136.4	14	1,389.0
1895.....	19,442	23,361	120.2	86	1,294.1
1896.....	20,263	26,142	128.6	90	1,293.7
1897.....	20,301	24,663	121.5	22	1,192.0
1898.....	19,329	22,774	117.8	58	1,212.0
1899.....	18,540	21,856	117.9	28	1,138.8
1900.....	17,923	24,900	128.9	52	1,299.2
<b>"AGGREGATE" MEMBERS.</b>					
<b>Engineers and firemen:</b>					
1890.....	1,463	2,060	195.6	31,468	2,162.4
1891.....	1,432	2,951	206.8	33,653	2,346.8
1894.....	1,486	2,899	195.1	32,164	2,164.5
1895.....	1,452	2,872	197.8	28,539	2,034.5
1896.....	1,410	2,394	169.7	26,496	1,878.5
1897.....	1,380	2,174	157.7	26,922	1,951.2
1898.....	1,343	2,401	178.8	27,307	2,082.2
1899.....	1,284	2,077	161.8	27,174	2,116.4
1900.....	1,225	2,203	179.8	26,567	2,170.4
<b>Train service:</b>					
1890.....	1,521	2,163	141.3	20,923	1,267.2
1891.....	1,493	1,822	122.0	18,481	1,237.9
1894.....	1,460	1,847	126.5	18,447	1,263.5
1895.....	1,415	1,698	120.0	20,130	1,423.0
1896.....	1,377	1,491	108.2	17,608	1,277.0
1897.....	1,341	1,307	96.0	15,377	1,129.0
1898.....	1,290	1,393	108.0	15,938	1,225.5
1899.....	1,232	1,295	104.3	15,896	1,200.2
1900.....	1,171	1,437	122.7	17,386	1,484.7
<b>Maintenance of way:</b>					
1890.....	3,874	3,970	102.5	46,564	1,202.0
1891.....	3,753	3,140	83.7	37,962	1,008.9
1894.....	3,389	3,186	94.0	35,281	1,041.0
1895.....	3,282	2,547	77.6	33,777	1,029.8
1896.....	3,175	2,664	83.9	32,208	1,045.6
1897.....	3,074	2,499	81.2	32,178	1,079.0
1898.....	2,970	1,968	66.3	24,285	817.7
1899.....	2,861	2,526	88.3	31,414	1,068.0
1900.....	2,738	2,609	95.2	32,979	1,204.5
<b>Station service:</b>					
1890.....	6,363	9,108	143.1	101,112	1,599.1
1891.....	6,170	7,155	116.0	77,281	1,252.5
1894.....	5,340	6,475	121.3	72,962	1,266.2
1895.....	5,178	6,192	119.5	71,149	1,274.9
1896.....	4,965	5,524	111.3	61,037	1,229.1
1897.....	4,786	5,254	109.8	61,796	1,291.0
1898.....	4,593	5,541	122.8	61,897	1,247.6
1899.....	4,390	5,466	124.6	66,040	1,504.2
1900.....	4,083	5,596	137.1	69,546	1,705.2
<b>Office force:</b>					
1890.....	562	757	134.7	5,996	1,066.9
1891.....	549	534	97.3	5,939	1,081.8
1894.....	618	324	62.5	2,620	608.8
1895.....	407	304	74.7	3,556	873.8
1896.....	422	291	69.0	3,364	797.1
1897.....	295	233	59.0	3,696	923.1
1898.....	378	269	71.2	2,638	697.9
1899.....	377	301	53.3	2,282	606.2
1900.....	473	448	94.7	4,563	899.6
<b>Total "aggregate" members:</b>					
1890.....	13,792	18,858	136.7	206,073	1,494.2
1891.....	13,399	15,602	116.4	173,216	1,292.8
1894.....	12,193	14,732	120.8	162,474	1,332.5
1895.....	11,734	13,613	116.1	158,151	1,248.4
1896.....	11,349	12,364	108.9	141,698	1,249.2
1897.....	10,976	11,467	104.5	140,959	1,253.0
1898.....	10,574	11,672	110.4	132,065	1,249.0
1899.....	10,144	11,555	113.9	142,806	1,407.8
1900.....	9,690	12,293	126.9	151,051	1,559.9

**CASES OF ILLNESS CAUSING LOSS OF EARNINGS AND DAYS LOST BY MEMBERS OF THE MEDITERRANEAN MUTUAL BENEFIT SOCIETY DURING THE YEARS 1890, 1891, AND 1894 TO 1900, BY BRANCH OF SERVICE AND YEAR—Concluded.**

Branch of service and year.	Average number of members.	Cases of illness.		Days lost because of illness.	
		Number.	Per 1,00 members.	Number.	Per 100 members.
ALL MEMBERS.					
1890.....	31,852	41,519	130.3	473,781	1,487.4
1891.....	31,460	38,946	123.8	421,075	1,338.4
1894.....	31,129	40,559	130.3	425,488	1,366.8
1895.....	31,176	36,974	118.6	409,717	1,314.0
1896.....	31,612	38,506	121.8	403,897	1,277.8
1897.....	31,277	36,150	115.5	383,081	1,225.0
1898.....	29,903	34,446	115.2	366,333	1,225.0
1899.....	28,684	33,411	116.5	353,934	1,233.9
1900.....	27,613	37,193	134.7	400,034	1,811.2

**PENSIONS.**—The total number of current pensions of the mutual benefit societies are shown as far as data are available in the following table. The average pension from 1901 to 1907 is seen to be only \$81.71, and in the earlier years even smaller. In judging of the amount it is necessary to point out that the averages were materially influenced by the very small widows' and orphans' pensions. As has already been explained, the mutual benefit societies did not grant any new pensions to widows and orphans from 1891 to 1904, inclusive, and the current pensions had been granted by the Alta Italia Railroad Mutual Benefit Society prior to the reorganization in June, 1890. These pensions were exceedingly small, averaging usually \$18 for widows and \$7 per annum for orphans. The number of these pensions was rapidly declining, the widows' and orphans' pensions granted since 1905 being much larger, though not any too large, even considering the Italian standard of living.

Another considerable class of very small pensions is found in those granted to the "aggregate" members, in order to increase their pensions received from the pension funds to 365 lire (\$70.45).

All these factors influence the average amount of the pensions paid by the mutual benefit societies. The average pension of a member within recent years was over \$90, and in the Mediterranean fund over \$100. The seeming drop in 1907 is due to the fact that the "supplementary" pensions of "aggregate" members are not stated separately, but together with the pensions of the "ordinary" members, which decreases the average.

**NUMBER AND AVERAGE OF PENSIONS PAID BY THE MUTUAL BENEFIT SOCIETIES  
IN SPECIFIED YEARS, BY SOCIETY AND YEAR.**

[Source: The annual reports of the society.]

Society and year.	Pensions paid to—								Total pensions.	
	"Ordinary" members.		"Aggregate" members.		Widows.		Orphans.			
	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.
Adriatic society:										
1890.....	1,648	\$62	75	\$11	249	\$19	17	\$6	1,989	\$54
1891.....	1,897	66	92	11	241	19	15	6	2,245	59
1892.....	2,392	72	101	11	228	19	13	6	2,724	65
1901.....	3,489	88	153	9	147	18			3,788	82
1902.....	3,605	88	153	9	138	18			3,906	83
1903.....	3,749	88	150	9	130	18			4,029	83
1904.....	3,756	89	146	9	124	18			4,026	84
1905.....	3,742	89	140	9	147	25	4	25	4,033	84
1906.....	3,664	90	138	9	216	34	10	28	4,026	84
1907.....	3,776	87	(b)	(b)	225	37	11	26	4,012	84
Mediterranean society:										
1890.....	1,262	74	116	13	440	18	11	6	1,829	55
1891.....	1,536	83	129	13	440	18	11	7	2,115	64
1892.....	1,642	87	136	13	460	18	10	7	2,248	68
1893.....	1,776	91	144	13	437	18	8	7	2,365	73
1894.....	1,837	93	147	13	416	18	8	7	2,408	75
1895.....	1,903	94	151	13	395	18	6	7	2,455	77
1896.....	1,933	95	168	13	383	18	6	7	2,500	77
1897.....	1,966	95	179	13	371	18	3	7	2,506	78
1898.....	1,996	97	205	13	334	18	3	7	2,538	79
1899.....	2,035	96	217	13	323	18	1	7	2,575	80
1900.....	2,048	98	239	12	304	18	1	7	2,592	80
1901.....	2,106	99	244	12	286	18	1	7	2,644	82
1902.....	2,120	99	243	12	279	18			2,642	82
1903.....	2,145	99	237	12	273	18			2,655	83
1904.....	2,227	100	237	12	261	18			2,725	84
1905.....	2,235	101	231	12	287	21	3	22	2,756	85
1906.....	2,201	101	220	12	349	31	14	29	2,890	86
1907.....	2,395	93	(b)	(b)	371	33	14	22	2,880	84
Stilian society:										
1901.....	631	59							631	59
1902.....	650	60							650	60
1903.....	668	60							668	60
1904.....	692	61							692	61
1905.....	659	63			3	53			662	63
1906.....	635	60			18	49	1	31	654	63
1907.....	628	60			24	51	1	31	653	60
Total societies:										
1901.....	6,226	80	396	11	433	18	1	7	7,056	80
1902.....	6,378	89	396	11	417	18			7,189	80
1903.....	6,562	89	387	11	403	18			7,352	81
1904.....	6,675	89	383	11	385	18			7,443	82
1905.....	6,636	91	371	11	437	23	7	24	7,451	83
1906.....	6,500	91	356	11	563	33	25	29	7,464	83
1907 (c).....	6,799	87	(b)	(b)	620	35	26	30	7,445	83
1907 (d).....	6,841	89	(b)	(b)	607	38	67	19	7,605	83

\* Including pensions to "aggregate" members.  
 † Included in pensions to "ordinary" members.

c First six months.  
 d Last six months; united society.

Finally, it must be pointed out that women (in the service of maintenance of way) constituted a certain proportion of the pensioners because in the Alta Italia Railroad Mutual Benefit Society women were granted pensions until after the reorganization of 1890, since which they received lump-sum benefits only.

These pensions to women, which were proportionate to their salaries, were very small and influenced the average for the pensioners. For some years the pensioners could be separated by sexes, and the pensions for each sex are shown in the following table:

NUMBER AND AVERAGE OF PENSIONS PAID TO "ORDINARY" MEMBERS OF THE ADRIATIC MUTUAL BENEFIT SOCIETY, 1893 TO 1903, AND OF THE MEDITERRANEAN MUTUAL BENEFIT SOCIETY, 1891 TO 1906, BY SEX.

[Source: The annual reports of the societies.]

Society and year.	Pensions paid to "ordinary" members.					
	Males.		Females.		Total.	
	Number.	Average.	Number.	Average.	Number.	Average.
<b>Adriatic society:</b>						
1893.....	2,114	\$84	237	\$17	2,351	\$77
1894.....	2,333	85	232	17	3,565	57
1895.....	2,447	87	219	17	2,666	81
1896.....	2,573	89	213	17	2,786	83
1897.....	2,741	90	202	17	2,943	85
1898.....	2,822	90	194	17	3,016	85
1899.....	2,981	90	190	17	3,171	86
1900.....	3,182	92	185	17	3,367	88
1901.....	3,313	92	176	17	3,489	88
1902.....	3,433	92	170	17	3,603	91
1903.....	3,589	91	158	17	3,747	88
<b>Mediterranean society:</b>						
1891.....	1,300	95	235	21	1,535	83
1892.....	1,417	98	225	21	1,642	87
1893.....	1,561	101	215	21	1,776	91
1894.....	1,626	102	211	21	1,837	93
1895.....	1,702	103	201	20	1,903	94
1896.....	1,738	103	195	20	1,933	95
1897.....	1,775	103	191	20	1,966	95
1898.....	1,815	104	181	20	1,996	97
1899.....	1,860	104	175	20	2,035	96
1900.....	1,880	104	168	20	2,048	97
1901.....	1,949	105	157	20	2,106	99
1902.....	1,971	105	149	20	2,120	99
1903.....	2,007	104	138	20	2,145	99
1904.....	2,093	105	134	20	2,227	100
1905.....	2,118	105	117	20	2,235	101
1906.....	2,099	105	102	20	2,201	101

In view of the great differences in salaries a better understanding of the pensions granted by the mutual benefit societies is obtained by studying them by separate branches of the service. The following table shows the number, amount, and average of pensions granted each year by the Adriatic Mutual Benefit Society from 1890 to 1903, and by the Mediterranean Mutual Benefit Society from 1890 to 1901, by the main groups of railroad employees.

The number of pensions granted to employees in the first, second, and fifth groups (engineers and firemen, trainmen, and office employees) were so small that it was not thought necessary to show them separately.

No invalidity pensions were granted to the female employees, as the constitution provided only for lump-sum benefits.

The pensions appear to have been larger in the Mediterranean society, due to higher wages paid by the Mediterranean Railroad. In both societies a tendency to smaller pensions is noticeable, though the fluctuations from year to year are considerable.

The comparison between the various occupational groups is particularly important. The shop employees receive larger pensions

than either the employees in the maintenance-of-way class or in the station service. This is partly due to higher wages and partly, probably, to longer service.

NUMBER AND AVERAGE OF PENSIONS GRANTED EACH YEAR BY THE ADRIATIC MUTUAL BENEFIT SOCIETY, 1890 TO 1903, AND BY THE MEDITERRANEAN MUTUAL BENEFIT SOCIETY, 1890 TO 1901, BY BRANCHES OF THE SERVICE.

[Source: The annual reports of the societies.]

Society and year.	Pensions granted each year to—								Total.	
	Maintenance-of-way employees (male).		Station and yard service employees.		Shop employees.		All other.			
	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.
<b>Adriatic society:</b>										
1890.....	123	\$78	96	\$96	110	\$132	6	\$132	335	\$102
1891.....	169	75	93	101	59	136	7	120	328	94
1892.....	320	75	199	96	70	142	21	120	610	91
1893.....	66	78	89	102	50	115	17	136	222	100
1894.....	130	70	118	101	67	133	7	137	322	96
1895.....	100	74	78	101	62	133	10	120	250	99
1896.....	103	78	66	101	85	148	12	142	266	109
1897.....	138	72	94	90	69	124	6	159	307	91
1898.....	104	74	47	92	55	129	8	129	214	94
1899.....	135	73	96	99	74	124	6	105	311	94
1900.....	136	78	92	105	125	130	15	134	368	104
1901.....	117	71	93	98	76	122	7	132	293	94
1902.....	116	69	117	94	50	119	14	127	297	90
1903.....	200	70	105	87	51	126	8	118	364	84
<b>Mediterranean society:</b>										
1890.....	78	94	104	111	87	152	13	142	282	120
1891.....	90	96	161	109	94	141	16	148	361	116
1892.....	75	91	88	100	54	143	16	153	233	111
1893.....	68	89	64	101	108	148	8	145	248	120
1894.....	49	89	38	112	47	146	6	143	140	117
1895.....	52	80	58	95	49	141	11	137	170	106
1896.....	39	81	57	102	40	156	10	141	146	107
1897.....	47	84	60	99	37	147	3	103	147	105
1898.....	52	72	50	97	50	157	5	100	166	112
1899.....	56	74	80	96	27	142	8	120	171	97
1900.....	47	82	56	90	77	137	11	95	191	107
1901.....	67	70	56	96	84	146	8	119	215	108

**LUMP-SUM BENEFITS.**—In case of retirement because of disability before fifteen years of membership, the employee received only a lump-sum payment, as explained above, depending upon his length of membership, with a minimum of two months' pay. The female employees, all belonging to the maintenance-of-way service, received only such lump-sum benefits. As the following table shows, these lump-sum benefits were very small, especially so in the case of the female employees. But these latter constituted by far the greater part of all persons receiving such lump-sum benefits, very few of the other groups retiring before the necessary fifteen years have elapsed.

The average sum paid to the female employees varied in the different years from \$17 to \$32. In other branches of service these amounts were larger; and the largest lump-sum benefits, as well as the largest pensions (outside of the few office employees), were paid to the shop workers.

NUMBER AND AVERAGE OF LUMP-SUM RETIREMENT BENEFITS PAID TO MEMBERS BY THE ADRIATIC MUTUAL BENEFIT SOCIETY, 1890 TO 1903, AND BY THE MEDITERRANEAN MUTUAL BENEFIT SOCIETY, 1890 TO 1901, BY BRANCH OF THE SERVICE.

[Source: The annual reports of the societies.]

Society and year.	Lump-sum retirement benefits paid to—										Total.	
	Maintenance-of-way employees (males).		Maintenance-of-way employees (females).		Station-service employees.		Shop employees.		All others.			
	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.
Adriatic society:												
1890.....	2	\$78	79	\$22	5	\$68	6	\$126	.....	.....	92	\$34
1891.....	.....	.....	78	25	9	71	9	82	2	\$28	98	35
1892.....	6	40	123	22	11	56	10	117	1	235	151	33
1893.....	5	25	22	25	14	78	7	122	2	54	50	54
1894.....	8	55	25	28	7	80	7	125	.....	.....	47	55
1895.....	8	46	39	27	7	87	14	120	1	22	69	54
1896.....	11	84	28	28	10	80	1	210	1	47	51	54
1897.....	18	48	31	28	12	66	3	82	2	146	66	46
1898.....	12	66	34	27	6	72	12	100	.....	.....	64	52
1899.....	9	56	36	31	8	68	6	136	1	204	60	53
1900.....	3	32	18	28	10	84	4	130	.....	.....	35	58
1901.....	2	66	22	31	11	82	4	86	.....	.....	39	53
1902.....	5	66	22	31	8	112	6	177	1	112	42	73
1903.....	4	74	14	32	11	93	3	108	.....	.....	32	65
Mediterranean society:												
1890.....	5	32	36	24	26	55	27	52	1	47	95	41
1891.....	8	46	68	26	10	46	21	64	5	46	112	38
1892.....	5	63	70	24	14	56	6	59	2	45	97	33
1893.....	8	52	89	22	12	65	17	61	1	25	127	33
1894.....	1	133	52	20	9	50	1	112	1	53	64	28
1895.....	3	52	63	19	10	53	9	101	.....	.....	85	33
1896.....	6	30	57	17	11	64	16	91	.....	.....	90	37
1897.....	13	60	59	21	14	64	21	113	.....	.....	107	49
1898.....	11	47	54	20	29	68	15	132	3	130	112	53
1899.....	6	48	61	19	20	78	10	106	1	54	98	41
1900.....	4	48	76	23	25	67	10	150	3	76	118	45
1901.....	8	70	79	24	20	76	15	135	6	97	128	52

As explained in the analysis of the constitution, the mutual benefit societies, in distinction from the pension funds, did not pay any pensions to dependent families of deceased members until after 1905. Instead a lump-sum benefit was granted in such cases, as explained in a preceding paragraph. The number and average amounts of such death benefits are shown for the two largest societies and for the same periods to which the previous tables refer and separately for the larger three occupational groups. No such benefits were given to families of deceased female members, and only a few to the members of the higher wage groups who were rapidly being transferred to the pension funds, and therefore showed lower death rates. The average amounts of such benefits were somewhat higher than the average annual amounts of pensions. They did not represent an amount sufficient to insure economic security of the family for any length of time, but represent a sufficiently high amount to tide the family over the immediate difficulties accompanying the death of the father.



A considerable increase in the average amount of the death benefit may be noticed for all the groups. This is explained, however, by the discontinuance of new admissions after January 1, 1897, which operated to gradually raise the average age at death and also the average length of service at death, upon which the amount of the death benefit depends. Thus in 1894 there were 39 deaths of members under 35 and in 1903 only 4 such deaths. The average death benefit in case of such early death was naturally very small. Thus in 1896 these 35 families received only \$1,855, or only \$53 per family, while 31 families of members dying at the age of 50 or over received \$4,426, or \$143 per family.

**NUMBER AND AVERAGE OF LUMP-SUM BENEFITS PAID TO FAMILIES OF DECEASED MEMBERS BY THE ADRIATIC MUTUAL BENEFIT SOCIETY, 1890 TO 1903, AND BY THE MEDITERRANEAN MUTUAL BENEFIT SOCIETY, 1890 TO 1901, BY BRANCH OF THE SERVICE.**

[Source: The annual reports of the societies.]

Society and year.	Lump-sum benefits paid to families of—								Total.	
	Maintenance-of-way employees (males).		Station-service employees.		Shop employees.		All others.			
	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.	Num-ber.	Aver-age.
Adriatic society:										
1890.....	44	\$83	66	\$80	22	\$150	12	\$92	144	\$92
1891.....	57	78	59	93	24	146	5	73	145	95
1892.....	64	79	54	84	24	160	7	97	149	95
1893.....	59	70	53	86	29	155	14	92	155	93
1894.....	56	74	45	83	16	154	5	92	122	90
1895.....	69	71	53	107	29	154	12	94	163	100
1896.....	60	83	43	87	20	156	11	148	134	101
1897.....	42	71	49	114	27	175	9	165	127	117
1898.....	42	67	61	103	22	159	7	129	132	102
1899.....	43	82	57	111	16	150	8	155	124	108
1900.....	46	73	50	124	31	167	11	113	138	116
1901.....	46	92	54	126	23	165	11	157	134	124
1902.....	43	100	60	136	22	196	8	161	133	136
1903.....	36	103	44	143	15	191	10	179	105	140
Mediterranean society:										
1890.....	62	68	59	89	29	121	5	112	155	87
1891.....	63	67	41	70	41	127	9	114	154	86
1892.....	53	64	55	84	46	126	6	85	160	89
1893.....	49	65	64	72	38	141	4	200	155	90
1894.....	56	69	48	83	32	139	7	97	143	91
1895.....	77	72	39	87	33	159	7	74	156	94
1896.....	59	68	51	110	29	132	1	226	140	98
1897.....	52	62	36	88	31	140	4	107	123	91
1898.....	54	69	43	109	48	176	11	133	156	118
1899.....	59	83	47	101	45	210	7	112	158	123
1900.....	57	73	49	113	37	213	13	98	156	119
1901.....	65	84	39	119	32	196	15	136	151	121

Until 1905, in case of death of pensioners, the family of the deceased was not entitled to the continuous pension, but only to a lump sum. The minimum of such lump-sum benefit was, according to the constitution of 1902, four times the monthly benefit of the pensioner. As the following table indicates, the average amount of this benefit varied since 1893 between \$36 and \$73. It did not represent, therefore, more than a funeral benefit and a small sum to tide over the first difficulties of the situation. By the law of 1905, embodied in the society's constitution of 1907, the widows of pensioners receiving their pensions since 1905 were granted the continuation of the pension. Data concerning the application of this paragraph are not available.

NUMBER AND AVERAGE OF LUMP-SUM BENEFITS PAID TO FAMILIES OF DECEASED PENSIONERS BY THE ADRIATIC AND BY THE MEDITERRANEAN MUTUAL BENEFIT SOCIETIES, 1890 TO 1903.

[Source: The annual reports of the societies.]

Year.	Lump-sum benefits paid to families of deceased pensioners by—				Year.	Lump-sum benefits paid to families of deceased pensioners by—			
	Adriatic society.		Mediterranean society.			Adriatic society.		Mediterranean society.	
	Number.	Average.	Number.	Average.		Number.	Average.	Number.	Average.
1890.....	10	\$112	3	\$85	1897.....	48	\$58	41	\$49
1891.....	18	104	16	142	1898.....	59	45	43	54
1892.....	34	79	29	100	1899.....	64	52	44	54
1893.....	(a)	.....	39	62	1900.....	76	36	60	58
1894.....	(a)	.....	25	73	1901.....	74	46	60	52
1895.....	(a)	.....	32	50	1902.....	96	38	(a)	.....
1896.....	(a)	.....	41	60	1903.....	120	46	(a)	.....

a Not reported.

FINANCES.—The general review of the finances of the three mutual benefit societies for the period of 18 years since their first reorganization in 1890 very plainly shows their financial weakness. The reorganized funds started on January 1, 1890, with a surplus fund of \$1,863,702, accumulated in the preceding period when their retirement benefits were rather small. But as the average age of the members increased and the number of retirement benefits grew the annual surplus decreased, and by 1892 was changed to a large and growing deficit. Thus between 1892 and 1905 more than two-thirds of the assets of the mutual benefit societies had dwindled away. Only the material increase in rates in 1906 had evidently saved these funds from financial difficulties. The causes for this appear more clearly in the following tables, which give the financial reports for the years 1902 to 1907:

## FINANCES OF THE MUTUAL BENEFIT SOCIETIES, 1890 TO 1907

[Source: The annual reports of the societies.]

Society and year.	Income.	Expenditures.	Surplus.	Deficit.	Assets at end of year.
1890.....	\$607,286	\$438,774	\$168,512	.....	\$2,032,214
1891.....	651,786	511,717	140,069	.....	2,172,283
1892.....	602,604	622,963	.....	\$20,359	2,151,924
1893.....	618,666	643,941	.....	25,275	2,126,649
1894.....	621,007	647,381	.....	26,374	2,100,275
1895.....	631,464	687,918	.....	56,514	2,043,761
1896.....	640,669	709,489	.....	68,820	1,974,941
1897.....	632,058	729,991	.....	97,933	1,877,008
1898.....	618,957	743,441	.....	124,484	1,752,524
1899.....	617,318	750,402	.....	133,084	1,619,440
1900.....	619,548	804,849	.....	185,301	1,434,139
1901.....	618,004	818,511	.....	200,507	1,233,632
1902.....	680,164	803,409	.....	123,245	1,110,387
1903.....	647,884	811,332	.....	163,448	946,939
1904.....	678,854	803,079	.....	124,225	822,714
1905.....	658,379	812,832	.....	154,453	668,261
1906.....	921,750	810,709	111,041	.....	779,302
1907 (a).....	577,523	403,235	174,288	.....	953,590
1907 (b).....	465,125	420,345	44,780	.....	998,370
1907.....	1,042,648	823,580	219,068	.....	998,370

a First six months.

b Last six months; united fund.

The sources of revenue of the mutual benefit societies, as of the pension funds, consist of the following main sources: Contributions of the members, contributions of the railroads, regular sources of revenue established by the constitution, and interest and profits from investment. As appears from the following tables, the members' contributions in 1906 constituted about one-fourth (25.2 per cent) of the total, the direct contributions from the railroads over one-half (51.7 per cent), the indirect contributions, including the reimbursements for accident compensation, nearly one-fifth (18.3 per cent), and the income from interest and investments was very small, only 3.7 per cent, because of the low reserve. In view of the rapid decline of the reserve, the necessity for increasing the current revenues of the funds was keenly felt. The lower level of the wages of those employees who held membership in these societies, as compared with that of the members of the pension funds, previously described, precluded the possibility of increasing the members' contributions, and the railroads were therefore forced by law to increase their share. On October 21, 1902, these contributions were increased from 3 per cent of the salaries paid to 4.2 per cent, and on January 1, 1906, further increased to 8.15 per cent, i. e., nearly doubled. As a result the total contributions of the railroads more than doubled between 1902 and 1906, notwithstanding the decline in the membership. In 1902 these direct contributions of the railroads represented only 26.6 per cent, or a little over one-fourth of the total income, as against 51.7 per cent in 1906. The study of the table giving the expenditures by main items explains the reason for these difficulties. Pensions represented the main item, though officially designated by the name of continuous benefits, and though they were given only for retirement because of invalidity, and not for old age alone. The total expenditures for retirement pensions did not show such a rapid increase as in the case of the pension funds, but they were still

increasing in 1906, being in that year 7 per cent greater than in 1902. Thus, notwithstanding the existence of these mutual benefit societies for over 35 years, and the discontinuance of new admissions since 1897, the societies have not yet reached the state of equilibrium where the granting of new pensions would be entirely offset by the discontinuance of old ones. As was shown in one of the preceding tables, the number of current pensions was still increasing in 1907, and so was the average amount of pensions because of the increase in wages. While the latest increase of the railroad contributions from 4.2 per cent to 8.15 per cent of the salaries did overbalance the deficit and produce a slight surplus, the mutual benefit societies were not yet put upon a sound financial basis thereby. For with the continued increase of pensioners and the decrease of active members, producing a fall in the revenues, the small surplus was likely to be again converted into a deficit in the near future. If a technical balance of the mutual benefit societies were struck, it would show that the members through their long membership had acquired rights for invalidity pensions, thus creating a large actuarial liability with practically no reserve to cover it. At the same time a new source of liabilities was created by the provision of the law of 1905 establishing pensions for widows of members dying after July 1, 1905, and for widows of pensioners who had received their pensions after that date.

In the earlier years the expenditures for pensions for widows were on account of old pensions granted before January 1, 1890, to widows of members of the old Alta Italia Mutual Benefit Society, merged partly with the Adriatic and partly with the Mediterranean Society. But since 1905 the number and cost of widows' pensions show an increase.

If it were not for the entire change of the pension system the cost of widows' pensions would rapidly have assumed large proportions.

#### INCOME AND EXPENDITURES OF THE MUTUAL BENEFIT SOCIETIES, 1902 TO 1907.

[Source: The annual reports of the societies.]

##### INCOME.

Source of income and item of expenditure.	1902.	1903.	1904.	1905.	1906.	1907.(*)
<b>Contributions of members:</b>						
"Ordinary" members.....	\$175,846	\$203,526	\$199,018	\$197,043	\$211,647	\$108,249
"Aggregate" members.....	23,369	22,661	21,439	20,541	21,079	10,703
<b>Total.....</b>	<b>199,215</b>	<b>226,187</b>	<b>220,457</b>	<b>217,584</b>	<b>232,726</b>	<b>118,952</b>
<b>Direct contributions of railroad.....</b>	<b>181,065</b>	<b>243,991</b>	<b>238,851</b>	<b>236,473</b>	<b>476,144</b>	<b>340,306</b>
<b>Indirect contributions of railroad:</b>						
Unclaimed overcharges on freight.....	87,381	57,299	73,558	54,383	102,707	54,500
Fines.....	25,163	17,814	18,597	17,169	18,809	12,764
Repayments for accidents.....	28,838	27,395	35,881	25,807	36,773	22,941
All other.....	11,209	11,024	7,552	8,054	10,223	4,612
<b>Total.....</b>	<b>152,591</b>	<b>113,532</b>	<b>135,588</b>	<b>105,413</b>	<b>168,512</b>	<b>94,817</b>
<b>Interest and investment.....</b>	<b>146,747</b>	<b>63,682</b>	<b>64,430</b>	<b>65,543</b>	<b>33,760</b>	<b>18,072</b>
<b>All other.....</b>	<b>546</b>	<b>492</b>	<b>19,528</b>	<b>33,366</b>	<b>10,608</b>	<b>1,186</b>
<b>Grand total.....</b>	<b>680,164</b>	<b>647,884</b>	<b>678,854</b>	<b>658,379</b>	<b>921,750</b>	<b>573,333</b>

\* For first six months only.

† This total is \$4,190 less than the total shown on page 1988; the figures are given as shown in the original report.

INCOME AND EXPENDITURES OF THE MUTUAL BENEFIT SOCIETIES, 1902 TO 1907—  
Concluded.

## EXPENDITURES.

Source of income and item of expenditure.	1902.	1903.	1904.	1905.	1906.	1907. <sup>a</sup>
<b>Temporary disability benefits:</b>						
Sick benefits.....	123,208	89,188	87,668	110,070	105,909	66,008
Physicians' fees, expenses, etc.....	34,391	31,214	25,304	22,319	22,890	7,419
Medicines, appliances, etc.....	20,603	13,625	10,162	10,177	11,397	4,077
Total.....	178,202	134,027	123,134	142,566	140,196	77,502
<b>Retirement benefits:</b>						
Pensions.....	557,130	567,058	590,964	588,130	601,850	294,241
Lump sums.....	8,650	5,186	5,094	2,834	3,703	1,400
Total.....	565,780	572,244	596,058	590,964	605,553	295,650
<b>Death benefits:</b>						
Pensions to widows.....	7,186	6,771	6,393	6,413	14,617	11,217
Lump sums to families of members....	36,670	35,819	35,608	38,350	10,576	1,913
Lump sums to families of pensioners..	6,914	8,384	11,277	11,175	7,442	2,983
Funeral benefits.....	2,806	2,818	3,041	3,273	3,055	1,633
Total.....	53,576	53,792	56,319	59,220	35,690	17,745
Payments to pension fund.....	4,979	50,175	24,079	17,637	11,357	8,007
All other.....	872	1,094	3,489	2,445	17,913	141
Grand total.....	803,409	811,332	803,079	812,832	810,709	<sup>b</sup> 399,045

<sup>a</sup> For first six months only.<sup>b</sup> This total is \$4,190 less than the total shown on page 1988; the figures are given as shown in the original report.

## PROVIDENT INSTITUTE OF THE STATE RAILROAD.

The financial organization of the provident institute resulting from the consolidation of the three separate provident institutes of the railroad operating companies was very much different from that of the older institutions, and the reasons for these differences are important, having been forced by the impossibility to construct a true actuarial basis for the activity of a pension and benefit institution on those older lines. It will be necessary, therefore, to give the details of these differences in the financial organization.

As was stated in a preceding section, the provident institute combined the functions of both a pension fund and a mutual benefit society, or, in other words, old-age and invalidity insurance with sickness insurance and medical aid. The element of mutuality, while not altogether eliminated, was very considerably reduced, the main activity taking the form of compulsory accumulation of individual accounts, to be converted under certain conditions either into annuities or lump-sum benefits.

The membership in this institution was compulsory for all permanent employees of the railroads who entered the service after December 31, 1896, except that for employees appointed at an age over 45 years such membership was optional. The institute was divided into two sections, the first being limited to employees receiving monthly or annual salaries and the second to those receiving daily

wages, the two sections thus corresponding to the pension fund and the mutual benefit society. The second section, like its prototype, combined sickness insurance and medical aid with old-age invalidity insurance and widows' and orphans' pensions. In case of promotion to a monthly salary, members of the second section were transferred to the first section.

#### SOURCES OF INCOME.

As in distinction to the two older institutions described, the benefits of this institute depended primarily upon the individual accounts. It is necessary to analyze these accounts and all sources of revenue before stating the amounts of pensions and other benefits.

These sources of revenue are stated in the constitution as follows:

- (1) The regular deductions from the earnings of the members.
- (2) Extraordinary deductions.
- (3) Voluntary contributions of the members.
- (4) Contributions of the railroad administrations.
- (5) Special assigned sources of revenue.
- (6) Extraordinary revenues, such as legacies, donations, etc, and
- (7) Revenues from investments of funds.

Briefly, these sources may be classified into three groups: Employees' contributions, the railroad management's contributions, and miscellaneous revenues. In detail, these sources of revenue differed for the two sections of the institute.

The regular contributions of the members were identical with those in the pension fund and the mutual benefit society—i. e., 5.5 per cent of the salary for the first section and 3.5 per cent for the second section. The extraordinary contributions contained the deduction of one-twelfth of each annual increase of salary and, besides, an initiation fee of one-tenth of the annual salary at appointment. As each member's account was an individual one, the members were permitted to increase these accounts by additional voluntary contributions, which during any one month, however, must not exceed one-fifth of the salary.

The regular contributions of the railroad administration were identical with those for the pension fund and the mutual benefit society, namely, 8 per cent of the salary for the members of the first section and 8.15 per cent for the members of the second section, and amounts equal to the members' extraordinary contributions, not only promotion contributions, but also initiation fees.

The additional sources of revenue from the administration were shares of the revenues assigned to the pension fund and the mutual benefit society. The first section shared with the pension fund and the second with the mutual benefit society, the distribution being



affected annually in proportion to the aggregate earnings of the membership.

The various revenues enumerated were distributed into two distinct systems of accounts, the individual accounts and the collective account. The individual account of each member was made up of his compulsory deductions, his voluntary contributions, and the contribution of the railroad administration, to which at the end of each year was added interest at the rate established each year according to the computed rate of interest received by the institute. This account was payable to the member at time of leaving the service or to his family after his death. The collective account claimed all the other revenues and also certain transfers of the undistributed individual accounts or parts of accounts, as explained below. It was to be used for increasing the individual accounts of members leaving service because of old age and invalidity, and of families of members, according to special regulations to be issued.

In addition there was also a reserve fund into which certain amounts from other funds were paid, as explained below.

#### BENEFITS.

The annual benefits payable to members depended upon the amounts of accumulations in the individual accounts, and approached therefore a system of subsidized and compulsory savings.

The entire account was paid at the time of separation from service, either by resignation or by administrative order, under one of the following conditions:

(1) If the member had reached 60 years of age and completed 30 years of membership, in case of sedentary occupations, or 55 years of age and 25 years of membership, in active occupations.

(2) If the separation from service was due to invalidity, after 15 years of membership.

(3) Without any consideration as to the length of membership if the separation from service was due to invalidity caused by an injury received in service or by a miasmatic fever.

Thus the regulations for old age and invalidity insurance for all the members (i. e., for both sections) were similar to those for the pension fund, and a superannuation pension was introduced for the lower-grade employees, who before had only an invalidity pension.

The entire individual account was also liquidated in case an employee was discharged without any fault of his, but because of a change of personnel, even before he had reached the above-mentioned limits, provided he had held membership for 15 years.

**PENSIONS AND LUMP SUMS.**—The constitution further provided that when the member received the full value of his individual ac-

count, it must be converted into a life pension (after 2 per cent is deducted in favor of the reserve fund). An exception was made in the case of the member whose account was liquidated before 15 years of membership, when the account must be paid out in a lump sum, except that in cases when the pension would amount to not less than 200 lire (\$38.60) per annum such conversion might be demanded by the recipient. In the compulsory conversion of the total individual account into a pension, the rights of the wife and children must be taken into consideration. Thus, if a member had a wife but no children, she was entitled after his death to a pension of one-half the amount of his pension until her death or remarriage. If besides the wife there were minor children, they were entitled, if under age at the time of his death, collectively to one-fourth of his pension until majority. If the pensioner was a widower with children, they had a right to receive after his death and until majority one-half of his pension, or if there was only one child, one-fourth of his pension. All these pensions, together with the pension of the member, were purchased out of the liquidated individual account.

**PARTIAL LIQUIDATIONS.**—Unless one of the conditions enumerated above existed, the right of the employee to his individual account at the time of leaving the service was limited, except to the voluntary contributions, which together with interest accrued, were paid out at the time of leaving service for any cause.

If the employee left the service, unless dismissed for disciplinary reasons, he was entitled to receive his own contributions with the interest accrued. The remaining portion of the individual account was divided between the collective account and the reserve fund, the former receiving nineteen-twentieths, and the latter one-twentieth.

**BENEFITS TO WIVES OR WIDOWS AND CHILDREN.**—If the employee should be dismissed after 15 years of membership, the entire account was to be liquidated in favor of his wife or minor children, and if he died in service after 15 years of membership, in favor of his widow and minor children. The requirement as to the length of membership was waived in case of death because of an injury or a miasmatic fever. These amounts were convertible into pensions for the wives, widows, or children, unless the membership did not last 15 years; the pensions to widows were to run until remarriage and to the children to majority.

If, however, the dismissal or death took place before this 15-year limit and in absence of any conditions (injury or disease) causing the time limit to be waived, the widow or wife and children were entitled only to the employees' contributions with interest accrued. In this case, as in the case of the benefit being paid to the member himself, the retained portion of the account was divided between the collective and the reserve funds.

The rights of the widows and orphans of employees who died after having drawn their full accounts from the institute were provided for at the time of the liquidation of the account, when their pensions were computed, as explained above.

As the rights of the widows and children were rather complicated, they are briefly summarized again.

(1) When the ex-member died after having liquidated his full account and received a pension, the widow received one-half of his pension, and minor children one-fourth of his pension. If minor children, but no widow, survived, they received one-half of his pension, in equal shares.

(2) If an ex-member died after he received only his own contributions with interest, part in lump sum, his widow and orphans had no right.

(3) If a member died while in service and after 15 years of membership (or from injury or miasmatic fever, when this condition is waived), the entire individual account was liquidated in favor of his widow and minor children, and converted into pensions, the distribution being affected in such a way that the temporary pension of each minor child was equal to one-third of that of the widow.

(4) If a member died while in service but before 15 years of membership, the widow received in a lump sum only the contributions of the member with interest accrued.

The general conditions required to entitle the widow and children to benefits were identical with those for the other two institutions described above.

In case of dismissal from service for cause, the wife and children had the same rights as a widow and orphans.

**LIMITS OF PENSION.**—The pension to an employee was not to exceed four-fifths of the average annual salary during the last quinquennial period for the members of the first section, and 2.50 lire (48 cents) per day for the members of the second section.

The pension of widows (with or without one minor child) of the first section must not exceed two-fifths of that average annual salary, nor must it be larger than 4,000 lire (\$772) per annum. If there were minor children, the total pension must not exceed three-fifths of the average annual salary, nor 6,000 lire (\$1,158).

When two or more minor children without a mother survived, the limit of their pensions was the same as for the widow; for one minor child the maximum limit was one-half of that for the widow.

For the widows of members of the second section the limits were very much lower: Namely 1.25 lire (24 cents) per day with or without one child, and together with two or more minor children, 1.90 lire (37 cents) per day. All amounts from the individual accounts in excess of these limits reverted to the collective fund.

**SPECIAL BENEFITS FOR MEMBERS OF THE SECOND SECTION.**—It appears from the foregoing analysis that much more uniformity had been introduced in the treatment of employees of the two classes, the main difference being in the rate of compulsory monthly contributions from the employees' earnings and in the different sources for supplemental revenue of the collective fund.

The other important difference was that the second section included besides old-age, invalidity, and retirement relief, also the functions of sickness insurance similar to those of the mutual benefit society.

**SANITARY SERVICE.**—It will be remembered that the mutual benefit society conducted a medico-sanitary service for the entire personnel of the railroads, the expenses being shared by the second section of the provident institute. The constitution of the latter provided that as soon as the total earnings of its members exceeded that of members of the mutual benefit society it should assume this function, the mutual benefit society sharing in its expenses. The benefits in the nature of medical and surgical help, hospital treatment, medicinal bath, funeral benefits, etc., were identical with those of the mutual benefit society enumerated on page 1963.

**SICK BENEFITS.**—Sick benefits of two-thirds the daily wages were paid to the employee deprived of his earnings because of illness, provided he had been subject to deductions from his salary for at least 30 days. The conditions of payment of sick benefits were identical with those of the mutual benefit society.

**COST OF SICKNESS INSURANCE.**—As far as the medical service and the sick benefits were concerned, the principle of mutuality was applied to the second section. The entire cost of sickness insurance to the second section was divided among the members proportionately to their annual earnings, and the respective amounts were deducted from their individual accounts.

**ACCIDENT INSURANCE.**—Similar to the other institutions, the provident institute, in case of industrial accidents, assumed the responsibility toward all its members who were subject to the accident insurance law.

The general methods applicable in the case of this institute were practically identical with those of the pension fund and the mutual benefit society, except that in case of death or of permanent disability necessitating separation from the service, the injured person or his family received the personal contributions with the interest accrued in addition to the compensation required by the law. The remaining portion of the individual account reverted to the collective account. But if the total amount paid under the accident law, plus these personal contributions, was still less than the amount to which the injured

person or his family would have been entitled under the constitution in case of death or invalidity from other causes, the difference was paid and charged to the collective fund.

#### ADMINISTRATION.

The institute was administered by a committee divided into two sections, corresponding to the sections of the institute; the details of administration were identical with those for the pension fund and the mutual benefit society, except that for certain purposes, concerning each section separately, the committees acted separately, and for other general purposes they sat together as one body. The expenses of administration, as in the case of the other two institutions, were borne by the railroad administration.

As seen from the analysis, the new provident institute had some advantages over the two older institutions. Perhaps the main advantage was a fiscal one; as the benefits were dependent upon the individual accounts, the institute was guaranteed against deficits and insolvency. Another advantage was the comparative equality in the treatment of the members of the two sections. A third was that under no conditions did a member lose all his rights to benefits by premature separation from the service. The principle prevailed that only the additional contributions from the railroad administration were in the nature of a reward for continuous service, and that under no circumstances was a member to be deprived of the accumulations resulting from his compulsory or voluntary contributions.

#### STATISTICS.

The provident institutes, organized in accordance with the law of 1897 by the constitution adopted on January 31, 1901, grew rapidly within the next five or six years at the expense of the other institutions previously described. The Adriatic Railroad began to keep accounts for the provident institute as early as 1897, the Sicilian Railroad in 1898, and the Mediterranean Railroad in 1900. As is shown in the following table, the average annual membership in 1900 was 3,861, and during the last 6 months of the existence of the individual funds 34,918, while for the first 6 months of the consolidated provident institute it increased to 38,335, the first section claiming about one-third, and the second section two-thirds, of the total membership.

## AVERAGE MEMBERSHIP OF THE PROVIDENT INSTITUTES, 1897 TO 1907, BY SECTIONS AND FUNDS.

[Source: The annual reports of the institutes.]

Year.	Number of members in—								Grand total.
	First section.				Second section.				
	Adriatic fund.	Mediterranean fund.	Sicilian fund.	Total.	Adriatic fund.	Mediterranean fund.	Sicilian fund.	Total.	
1897.....	4	.....	.....	4	45	.....	.....	45	49
1898.....	15	.....	41	56	370	.....	272	642	698
1899.....	140	.....	75	215	938	.....	473	1,411	1,626
1900.....	425	241	111	777	1,546	858	680	3,084	3,861
1901.....	965	591	157	1,713	1,985	2,254	866	5,105	6,818
1902.....	1,647	767	229	2,643	2,842	3,057	1,017	6,916	9,559
1903.....	2,440	1,018	380	3,838	5,767	5,480	1,229	12,476	16,314
1904.....	3,249	1,495	531	5,275	8,702	8,512	1,511	18,725	24,000
1905.....	3,930	2,171	627	6,728	9,982	9,663	1,699	21,344	28,072
1906.....	4,628	3,737	817	9,182	10,930	9,847	1,824	22,601	31,783
1907 (a).....	5,066	5,386	942	11,394	11,615	9,983	1,926	23,524	34,918
1907 (b).....	.....	.....	.....	12,958	.....	.....	.....	25,377	38,335

a First 6 months.

b Last 6 months; united fund.

The changes in the membership during these first six months are shown in detail in the following statement. The membership on December 31, 1907, is seen to have exceeded 40,000.

## CHANGES IN MEMBERSHIP OF THE UNITED PROVIDENT INSTITUTES, 1907.

[Source: The annual reports of the institutes.]

	First section.	Second section.	Total.
<b>Membership on June 30, 1907:</b>			
Adriatic fund.....	5,159	11,839	16,998
Mediterranean fund.....	5,850	10,215	16,065
Sicilian fund.....	925	1,967	2,892
<b>Total.....</b>	<b>11,934</b>	<b>24,021</b>	<b>35,955</b>
<b>Admitted July 1 to December 31, 1907.....</b>	<b>2,200</b>	<b>2,900</b>	<b>5,100</b>
<b>Total.....</b>	<b>14,134</b>	<b>26,921</b>	<b>41,055</b>
<b>Lost July 1 to December 31, 1907:</b>			
Died.....	15	45	60
Retired, etc.....	130	54	184
Discharged.....	8	32	40
Transferred to first section.....	.....	58	58
<b>Total.....</b>	<b>153</b>	<b>189</b>	<b>342</b>
<b>Total membership December 31, 1907.....</b>	<b>13,981</b>	<b>26,732</b>	<b>40,713</b>

**FINANCES.**—The financial statements of these institutions, available in detail for the entire period 1902 to 1907, must be studied separately for the two sections, between which important differences existed, as pointed out above. In the following summary table the total income and expenditures of the first section are given, also the surplus from each year's operations and the total assets.

The entire period appears to have been one of accumulations. The expenditures necessarily were trivial, for the members were all employees with very short length of service and not entitled to retire-



ment benefits on account of old age. The payments made were extensively for invalidity or death, and even then were necessarily very small. By the time the three funds were merged into one, on July 1, 1907, the accumulated reserves of the first section of the provident institutes amounted to \$2,287,198, or \$191.65 per member.

FINANCES OF THE PROVIDENT INSTITUTES, FIRST SECTION, 1897 TO 1907.

[Source: The annual reports of the institutes.]

Fund and year.	Income.	Expenditures.	Surplus.	Assets at end of year.
1897.....	\$91	.....	\$91	\$91
1898.....	1,748	.....	1,748	1,839
1899.....	10,215	\$51	10,164	12,003
1900.....	40,782	221	40,561	52,564
1901.....	65,874	770	65,104	117,668
1902.....	203,809	1,083	202,726	320,394
1903.....	255,416	2,048	253,368	573,762
1904.....	330,134	2,241	327,894	901,656
1905.....	399,759	4,399	395,360	1,297,016
1906.....	587,571	5,337	582,234	1,879,250
1907 (a).....	411,416	3,468	407,948	2,287,198
1907 (b).....	513,541	10,998	502,543	2,789,741

a First six months.

b Last six months; united fund.

The sources of these accumulations are shown in some detail for 1902 to 1907 in the following table. The contribution of the railroad operating companies is the main item, followed by the regular 5.5 per cent deduction from the salaries of the employees. The income of the first section from the extraordinary deductions, namely, initiation fees and promotion contributions were heavier than is usual from such sources, but this is evidently explained by the youth of the institutions, the number of new members each year being a very high proportion of the total membership. In comparison with the amount of the members' regular contributions, the amount from this source was declining. In 1902 it amounted to 49.1 per cent, and in 1906 only to 22.4 per cent of the regular contributions. On the other hand, the income from investments was gradually growing and helped to build up the individual as well as the collective accounts.

INCOME OF THE PROVIDENT INSTITUTES, FIRST SECTION, 1902 TO 1907.

[Source: The annual reports of the institutes.]

Source of income.	1902.	1903.	1904.	1905.	1906.	1907. (a)
Members' contributions:						
Normal.....	\$39,076	\$63,675	\$86,047	\$108,095	\$152,824	\$103,528
All other.....	19,179	20,821	29,502	21,232	34,279	31,993
Arrears, etc.....	2,758	14,683	4,201	882	4,395	533
Total.....	61,013	99,179	119,750	130,209	191,498	136,054
Voluntary contributions.....	.....	17	17	23	20	66
Railroad contributions.....	129,686	116,247	147,160	174,912	255,246	182,494
Investments.....	7,150	15,892	25,747	39,208	56,523	33,543
Sale of station tickets.....	4,646	11,228	9,088	11,039	21,381	9,962
Transfers from second section..	1,314	12,787	28,175	44,369	62,183	11,062
All other.....	.....	66	197	.....	720	38,235
Total.....	203,809	255,416	330,134	399,759	587,571	411,416

a First six months only.

An interesting feature brought out by the financial accounts of these institutions, and one which holds true of the second as well as of the first section, is the trivial amount of the voluntary contributions which the constitution permitted the members to make for the purpose of increasing their accounts. As these contributions carried no additional subsidy from the railroad, the stimulus to voluntary saving, or rather to the use of this provident fund for the purposes of saving was very slight.

The only additional source of income established by law was the proceeds from the sale of the tickets of admission to the railroad stations. This was shared with the pension fund in proportion to the respective amounts of the annual salaries of the total membership of these two institutions.

Another source of income was the transfer of the accounts of the employees promoted from daily to monthly salaries and therefore transferred from the second to the first section of the provident institute.

The finances of the second section are presented in the following two tables. As the second section granted sick benefits and had other expenses in connection with the treatment and care of the sick, its total expenditures are found to have been greater than those of the first section. The accumulations were nevertheless considerable, about keeping pace with those of the first section, but in view of the larger number of members, the average accumulations per member were very much smaller. On June 30, 1906, the total accumulations of the 24,021 members amounted to \$2,240,128 or \$93.26 per member, less than one-half of that of the members of the first section.

## FINANCES OF THE PROVIDENT INSTITUTES, SECOND SECTION, 1897 TO 1907.

[Source: The annual reports of the institutes.]

Year.	Income.	Expenditures.	Surplus.	Assets at end of year.
1897.....	\$431	\$179	\$252	\$252
1898.....	5,061	726	4,325	4,577
1899.....	12,555	4,525	8,030	12,607
1900.....	25,732	10,210	15,522	28,129
1901.....	43,233	16,832	26,401	54,530
1902.....	197,572	22,704	174,868	229,398
1903.....	376,069	54,393	321,676	551,074
1904.....	522,444	88,021	434,423	985,497
1905.....	509,154	129,045	380,109	1,365,606
1906.....	602,352	134,982	527,370	1,892,976
1907 (a).....	408,096	60,943	347,153	2,240,129
1907 (b).....	437,985	94,313	343,672	2,583,801
1907.....	846,081	155,256	690,825	2,583,801

a First six months.

b Last six months; united fund.

The income from members of the second section was very much smaller than that of the first section, notwithstanding the very much larger number of members, the annual contributions of the

members amounting only to 3.5 per cent of the salary instead of 5.5 per cent as in the first section. This source contributed in 1906 less than one-fifth (19.5 per cent) of the total income. The income from initiation fees and promotion contributions was high, for the same reason as in the first section, i. e., because of the admission of a proportionately large number of new members; and the miscellaneous sources of revenue established by the law, which may be considered indirect contributions of the railroads, were very much more important in this section. Adding these to the railroad contributions, it is seen that more than one-half of the revenue was contributed by the railroad management.

In the expenses of the second section, a very large item is, properly speaking, a bookkeeping account, representing the transfer of the accounts of members from the second to the first section. Disregarding this, the most important item is represented by sick benefits. The items for physicians' fees and traveling expenses and also for medicines are very small as compared with the amount of sick benefits, but this is explained by the fact that the cost of the first aid and of antifebrile medicaments since 1904 was assumed by the railroad administration.

INCOME AND EXPENDITURES OF THE PROVIDENT INSTITUTES, SECOND SECTION,  
1902 TO 1907.

[Source: The annual reports of the Institutes.]

Item.	1902.	1903.	1904.	1905.	1906.	1907.(a)
<b>INCOME.</b>						
Members' contributions:						
Normal.....	\$36,358	\$82,446	\$112,218	\$124,807	\$129,358	\$71,156
All other.....	13,740	54,302	87,763	68,206	48,255	26,985
Arrears, etc.....	1,461	14,721	12,454	2,243	374	303
Total.....	51,559	151,469	212,435	195,256	177,987	98,443
Railroad contributions.....	122,057	167,684	222,751	205,912	267,107	214,499
Other sources of revenue under the law (b)	17,682	42,052	46,123	42,394	70,873	43,487
Investments.....	4,243	11,793	27,869	42,635	56,193	33,668
All other.....	2,031	3,071	13,266	22,957	90,192	17,999
Total.....	197,572	376,069	522,444	509,154	662,352	408,096
<b>EXPENDITURES.</b>						
Physicians' expenses, etc.....	5,414	9,074	8,840	9,439	9,639	3,794
Medicines and appliances.....	2,402	3,203	3,684	4,634	5,240	2,189
Sick benefits.....	13,586	27,172	41,400	53,409	50,262	38,936
Funeral benefits.....	41	586	893	1,178	981	828
Repayments of contributions.....	204	1,342	2,539	15,804	6,537	2,938
Payments to first section.....	1,057	13,016	30,665	44,521	62,323	11,062
All other.....						1,196
Total.....	22,704	54,393	88,021	129,045	134,982	60,943

a First six months only.

b Including fines imposed on employees, proceeds of sale of unclaimed articles found on railroad property, proceeds of sale of railroad tariffs and time-tables, unclaimed overcharges on freight, and excess sums found in cash accounts of stations.

For the financial statement of the united provident institute data are available only for the first six months, July 1 to December 31, 1907.

The income and expenditures of both sections are shown for that period in the following table. Eliminating the transfers from the second to the first section, the income for the six months amounted to \$904,332 and the expenditures to \$58,117, increasing the assets during these six months by \$846,215, or an average of about \$22 per average member. As the total contributions of the members for these six months were only \$272,608, the accumulations appear to be three times as great, notwithstanding the cost of sick benefits and other benefit payments.

By the end of 1907 the total assets of the first section increased to \$2,789,741 and those of the second section to \$2,583,801, making a total of \$5,373,542.

INCOME AND EXPENDITURES OF THE PROVIDENT INSTITUTE, JULY 1 TO DECEMBER 31, 1907.

[Source: The annual reports of the institutes.]

Income.				Expenditures.			
Source.	First section.	Second section.	Total.	Item.	First section.	Second section.	Total.
Members' contributions:				Repayment of individual accounts:			
Normal.....	\$127,945	\$78,716	\$206,661	To discharged employees.....	\$5,300	\$3,014	\$8,314
Payments at rein-statement, etc.....	1,158	741	1,899	To families.....	2,556	3,475	6,031
All other.....	39,766	26,181	65,947	Total.....	7,856	6,489	14,345
Total.....	168,869	105,638	274,507	From collective accounts:			
Railroad contributions:				To discharged employees.....	2,959	1,384	4,343
Normal.....	186,102	183,296	369,398	To families.....	183	3,527	3,710
Arrears.....		34,126	34,126	Total.....	3,142	4,911	8,053
All other.....	39,766	26,181	65,947	Medical expenses.....		6,583	6,583
Total.....	225,868	243,603	469,471	Funeral expenses.....		779	779
Other legal sources of revenue (a).....	15,636	42,082	57,718	Sick benefits.....		28,357	28,357
Investment.....	44,694	37,999	82,693	Total expenditures exclusive of transfers.....	10,998	47,119	58,117
All other.....	11,280	8,663	19,943	Transfers to first section.....		47,194	47,194
Total income exclusive of transfers.....	466,347	437,985	904,332	Total expenditures	10,998	94,313	105,311
Transfers from second section.....	47,194		47,194	Surplus.....	502,543	343,672	846,215
Grand total.....	513,541	437,985	951,526	Grand total.....	513,541	437,985	951,526

<sup>a</sup> Including fines imposed on employees, proceeds of sale of unclaimed articles found on railroad property, proceeds of sale of railroad tariffs and time-tables, unclaimed overcharges on freight, and excess sums found in cash accounts of stations.

LAW OF JULY 9, 1908.(a)

The actuarial advantages of the new provident institute over the older institutions, the pension fund and the mutual benefit society, consisted in the prevention of deficits, and were of greater importance as long as these institutions were self-supporting and the railroads managed by private companies. This avoidance of deficits could

<sup>a</sup> Bollettino Ufficiale delle Ferrovie dello Stato. No. 31, Aug. 1, 1908.

naturally be accomplished only at the expense of the pensions. With the nationalization of the operation of railroads, when all the railway employees became government employees, the actuarial advantage of the provident institutes lost some of its value, as old-age and invalidity pensions constitute a recognized feature of the Italian Government service. On the other hand, it was felt that the pensions purchasable with the accumulated individual accounts would be smaller than those granted by the old pension fund. The existence of differences in the treatment of various classes of employees was considered a disadvantage from an administrative point of view, as leading to dissatisfaction.

The law of July 9, 1908, was intended to do away with these inequalities and disadvantages. This law abolished all the three existing institutions, the pension fund, the mutual benefit society, and the provident institute, transferring the entire pension activity to a new office within the state railroad administration. Beginning with January, 1909, all the existing funds, assets, and sources of revenue were transferred to this branch of the Government, and the expenditures and revenues connected with the pensions must be entered as parts of the railroad budget.

As a basis for the pension payments the constitution of the pension fund is taken, except as modified by the present law. This constitution was more liberal in old-age and invalidity pension payments than either that of the mutual benefit society or the provident institute. The revenues of the service remain mainly as before, except that all members' regular contributions are equally placed at 5.5 per cent of the salaries, while the contributions of the railroad administration for 1909 were placed at 8 per cent of the salaries, for 1910 at 8.5 per cent, and for 1911 and thereafter at 9 per cent. All members are subject to the extraordinary contribution of one-twelfth of the increase and of one-tenth of the initial salary at the time of appointment, the railroad administration contributing equal amounts in both cases.

Of the new sources of revenue created, the most important are the reestablishment of the 2 per cent tax upon the gross revenues from operation, which had been in force according to the original contract of lease of the government railroads to private operating companies from 1885 until 1905, and interest upon all the accumulated funds of the pension fund, the mutual benefit society, and the provident institute, and also upon the accumulations in the Loan and Deposit Bank for the purpose of covering the deficits of the pension funds and the mutual benefit societies.

The substitution of the pension scheme of the old pension fund for that of the mutual benefit society and of the provident institute was of

most importance for the rights of the widows and orphans of the members of the latter. These extensions are limited, however, in their retroactive effect. Thus far, as concerns the families of members who retired or died before January, 1909, the old rules of the respective institutions are in force. Besides, the provisions of the pension fund concerning the pension rights of widows and orphans shall not apply to marriages entered into before July 1, 1908, by persons holding membership in the mutual benefit society on December 31, 1908, and before January, 1908, by persons holding membership in the provident institute on December 31, 1908.

The sickness insurance benefits are excluded from the new pension system, but the interests of the lower grade employees, for whom this sickness insurance was intended, did not suffer, for the law placed the duty of providing sick benefits and medical care, etc., upon the railroad administration without any cost to the personnel. Moreover, the amount of sick benefits was raised from two-thirds of the daily wage to the full wage. Again, the entire application of the accident insurance law was assumed by the railroad administration directly, and the benefits for accidents leading to temporary disability was increased to full pay instead of two-thirds, as under the law.

Those were the main changes introduced in the pension fund constitution as applied to all the employees after January 1, 1909. Only for the female employees, members of the old mutual benefit society, have the old rules concerning deductions from salaries and concerning pensions been left undisturbed. No new appointments are made in that class.

The system of individual accounts has been discarded, but it can hardly be considered a return to the mutual system, as the Government assumes the entire financial responsibility for the application of the law.

The essential objection to this system remains in the fact that it is like the old pension fund was—primarily, an old-age or invalidity retirement fund—and that, notwithstanding the considerable compulsory contributions by the employees, they lose all their rights to a pension, for themselves as well as for their families, in case of voluntary resignation before certain age limits (unless invalidity can be established), while in case of dismissal they lose their pension rights, but their families are treated as widows would be if death instead of dismissal had taken place, i. e., are entitled to pensions after 10 years of service, but not before.

The codified text of the pension provisions, prepared in accordance with article 21 of the law of July 9, 1908, and approved by the royal decree of April 22, 1909, combines all the provisions of the three constitutions which are still in force with those of the law, but represents



mainly an adjustment of the provisions of the pension fund constitution to the requirements of the new law. It will not be necessary, therefore, to give any detailed analysis of this codified text.<sup>(a)</sup>

As this law went into effect so very recently, no data relative to the results of its application are available.

#### CONCLUSIONS.

The extent of the operations of this system may roughly be judged, however, from the combined data of the operations of the nine institutions for the first six months of 1907 and of the three unified institutions for the second six months of the same year, giving together the latest available total for all Italian railroad employees' benefit institutions.

The membership of these institutions has increased during the year from 90,324 to 94,378.

The total number of employees of the state railways on June 30, 1907, is stated at 134,611, but of these 39,899 are classified as temporary or supernumerary employees (*personale avventizio*) not protected by the pension legislation. The regular force comprised 94,712, so that practically the entire force of regular employees held membership in one of the three benefit institutions.

The financial operations cover revenues amounting to \$5,636,938 and expenditures of \$3,799,048, leaving a surplus of \$1,837,885 and increasing the funds of the combined institutions from \$26,610,170 to \$28,448,055.

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<sup>a</sup> Testo unico delle Disposizioni per le Pensioni del Personale delle Ferrovie dello Stato. Rome, 1909.



## SUMMARY OF OPERATIONS OF ALL ITALIAN

[Source: The annual

Fund.	Membership at—		Income.					
	Begin- ning of period.	End of period.	Members' contribu- tions.	Railroad contribu- tions.	Invest- ments.	Other regular sources.	All other.	Total.
<b>January 1 to June 30, 1907:</b>								
Pension funds—								
Adriatic.....	9,320	9,161	\$151,938	\$209,334	\$162,061	\$12,839	\$11,472	\$547,644
Mediterranean.....	16,986	16,654	224,297	309,845	262,357	11,807	11,187	819,493
Sicilian.....	861	862	16,287	22,306	22,760	698	218	62,269
Total.....	27,167	26,677	392,522	541,485	447,178	25,344	22,877	1,429,406
Mutual benefit socie- ties—								
Adriatic.....	12,704	12,501	49,276	138,771	6,339	34,260	1	228,647
Mediterranean.....	14,189	13,932	62,541	199,443	11,718	33,915	.....	307,617
Sicilian.....	1,828	1,788	7,135	25,033	15	3,701	1,185	37,069
Total.....	28,721	28,221	118,952	363,247	18,072	71,876	1,186	<sup>b</sup> 573,333
Provident institutes—								
Adriatic, first sec- tion.....	4,973	5,159	62,152	83,740	17,925	4,891	38,235	206,943
Adriatic, second section.....	11,948	11,839	47,390	78,737	17,104	21,224	16,109	180,564
Mediterranean, first section.....	4,921	5,850	63,235	84,407	12,586	4,649	.....	164,877
Mediterranean, second section...	9,750	10,215	43,650	114,358	13,133	19,243	1,855	192,239
Sicilian, first sec- tion.....	959	925	10,733	14,347	3,032	422	11,062	39,596
Sicilian, second sec- tion.....	1,885	1,967	7,403	21,404	3,431	3,020	35	35,293
Total, first sec- tion.....	10,853	11,934	136,120	182,494	33,543	9,962	49,297	411,416
Total, second section.....	23,583	24,021	98,443	214,499	33,668	43,487	17,999	408,096
Both sections....	34,436	35,955	234,563	396,993	67,211	53,449	67,296	819,512
<b>July 1 to December 31, 1907:</b>								
State pension fund....	26,677	25,966	388,416	488,626	476,996	43,711	284	1,398,033
State Mutual Benefit Societies.....	28,221	27,699	116,590	271,185	19,935	56,994	421	465,125
State Provident Insti- tutes, first section....	11,934	13,981	168,869	225,868	44,694	15,636	58,474	513,541
State Provident Insti- tutes, second section.	24,021	26,732	105,638	243,603	37,999	42,062	8,663	437,985
Total.....	90,853	94,378	779,513	1,229,282	579,624	158,423	67,842	2,814,684
<b>The entire year 1907:</b>								
Pension funds.....	27,167	25,966	780,938	1,030,111	924,174	69,055	23,161	2,827,439
Mutual Benefit Socie- ties.....	28,721	27,699	235,542	634,432	38,007	128,870	1,607	1,038,458
Provident Institutes, first section.....	10,853	13,981	304,989	408,362	78,237	25,598	107,771	924,957
Provident Institutes, second section.....	23,583	26,732	204,081	458,102	71,667	85,509	26,662	846,081
Grand total.....	90,324	94,378	1,525,550	2,531,007	1,112,085	309,092	159,201	5,636,935

<sup>a</sup> Deficit.<sup>b</sup> This total is \$4,190 less than the total shown on page 1988; the figures are given as shown in the original report.

RAILROAD EMPLOYEES' BENEFIT FUNDS, 1907.  
reports of the funds.]

Expenditures.						Surplus.	Assets at—	
Pensions.	Lump-sum benefits.	Sick benefits.	Sanitary service.	All other.	Total.		Beginning of period.	End of period.
\$582,280 751,180 27,633	\$531 601	.....	.....	..... \$105	\$582,811 751,886 27,633	<sup>a</sup> \$35,167 67,607 34,636	\$7,891,032 12,977,203 1,190,415	\$7,855,865 13,044,810 1,225,051
1,361,093	1,132	.....	.....	105	1,362,330	67,076	22,058,650	22,125,726
167,980 116,930 20,548	3,204 4,268 465	\$26,828 35,098 4,080	\$4,516 5,634 1,346	4,498 3,422 228	207,026 165,352 26,667	21,621 142,265 10,402	223,925 587,523 <sup>c</sup> 32,146	245,546 729,788 <sup>c</sup> 21,744
305,458	7,937	66,006	11,496	8,148	<sup>b</sup> 399,045	174,288	779,302	953,590
.....	2,435	.....	.....	.....	2,435	204,508	979,996	1,184,504
.....	2,267	24,602	2,797	17	29,683	150,881	960,632	1,111,513
.....	786	.....	.....	.....	786	164,091	736,789	900,880
.....	1,120	11,516	2,088	.....	14,724	177,515	747,667	925,182
.....	247	.....	.....	.....	247	39,349	162,465	201,814
.....	379	2,818	1,098	12,241	16,536	18,757	184,677	203,434
.....	3,468	.....	.....	.....	3,468	407,948	1,879,250	2,287,198
.....	3,766	38,936	5,983	12,258	60,943	347,153	1,892,976	2,240,129
.....	7,234	38,936	5,983	12,258	64,411	755,101	3,772,226	4,527,327
1,445,925 313,642	1,502 7,760	..... 58,714	..... 11,837	180 28,392	1,447,607 420,345	<sup>a</sup> 49,574 44,780	22,125,726 953,590	22,076,152 998,370
.....	10,998	.....	.....	.....	10,998	502,543	2,287,198	2,789,741
.....	12,179	28,357	6,583	47,194	94,313	343,672	2,240,129	2,583,801
1,750,567	32,439	87,071	18,420	75,766	1,973,263	841,421	27,606,643	28,448,064
2,807,018 619,100	2,634 15,697	..... 124,720	..... 23,333	285 36,540	2,809,937 <sup>b</sup> 819,390	17,502 219,068	22,058,650 779,302	22,076,152 998,370
.....	14,466	.....	.....	.....	14,466	910,491	1,879,250	2,789,741
.....	15,945	67,293	12,566	59,452	155,256	690,825	1,892,976	2,583,801
3,426,118	48,742	192,013	35,899	96,277	3,799,049	1,837,886	26,610,178	28,448,064

<sup>c</sup> Liabilities.

The combinations of all these institutions into one statistical picture, as is done in this table, brings out several interesting facts. Of the total income of \$5,636,938, only \$1,525,550, or 27.1 per cent, was contributed by the employees. The railroads directly contributed \$2,531,008, or 44.9 per cent, of the total revenue, but in addition various sources of revenue, which may be considered indirect contributions of the railroads, were created by the law, yielding altogether \$309,092, or 5.5 per cent, so that the entire contribution of the railroads may be put at 50.4 per cent of the total income. The income from investments brought in \$1,112,086, or 19.7, leaving only \$159,202, or 2.8, for other sources of revenue.

The total expenditures for the entire year amounted to \$3,799,048, leaving a surplus of \$1,837,885. By far the greatest share of the expenditures of the pension funds and of the mutual benefit societies was claimed by pension payments, which amounted to \$3,426,115, or 90.2 per cent of the total. The other benefits in case of retirement or death, paid in lump sums, constituted only 1.3 per cent; sick benefits, 5.1 per cent; expenses of medical service, 0.9 per cent; and all other expenses, 2.5 per cent; these latter are mostly bookkeeping accounts, representing transfers from the mutual benefit societies to the pension funds, and from the second sections of the provident institutes to the first sections.

The total assets of the three institutions on December 31, 1907, amounted to \$28,448,055. But in addition to that, large accumulations to the credit of the older pension fund and the mutual benefit society were deposited with the governmental Bank of Deposits and Loans. It will be remembered that in accordance with the law of 1885 there was a two per cent tax levied upon the gross receipts (1 per cent in case of the Sicilian railways), in order to cover the deficit of the pension funds up to 1885. In addition, the laws of April 15, 1897, and March 29, 1900, created surtaxes, described above. Up to March 31, 1900, these amounts accumulated in the treasuries of the pension funds, but on that date, in accordance with the latter law (March 29, 1900), they were transferred to the Bank of Deposits and Loans. On that date they amounted to \$3,508,612. Further payments according to these laws were made into the Bank of Deposits and Loans. The revenues under the older law of 1885 stopped on June 30, 1905, when the contracts for private operation ran out and the railroads reverted to the State, and on that date they amounted to \$1,848,902. The total revenue from the later taxes of 1897 and 1900 amounted on December 31, 1906, to \$11,489,415, so that the total payments into the Bank of Deposits and Loans reached \$13,338,317. The actual accumulations were materially larger because of the interest on the securities in which these deposits

were invested according to law. On December 31, 1906, the total accumulations amounted to \$14,967,783, and on December 31, 1907, to \$17,234,436.

To this must be added the accumulations of a special fund created by the law in 1885 to cover the deficits which have accrued in the old Southern (Meridional) Pension Fund, merged during the reorganization of the railroads and their pension funds, partly with the Adriatic, and partly with the Sicilian funds. This fund was constituted by contributions from the Southern Railroad Company, which continued to operate the Adriatic system. Until June 30, 1905, contributions were made to the fund from time to time by the Southern railroad, and since that date the fund grew by accruing interest. On December 31, 1907, it amounted to \$1,891,731, so that the total of these supplementary funds amounted on that date to \$19,126,167. Together with the assets of the three institutions, \$28,448,055, it represented a total accumulation of \$47,574,222, of which the interest, according to the law of July 9, 1908, was made available for the purpose of meeting the pension obligations according to the law. As, however, the Government assumed the entire responsibility of meeting this obligation of the pension system, the financial details, important from a fiscal point of view, are immaterial as far as the solvency of the pension system is concerned.

ACCUMULATIONS OF SPECIAL FUNDS DEPOSITED WITH THE BANK OF DEPOSITS AND LOANS FOR THE PURPOSE OF COVERING OLD DEFICITS OF PENSION FUNDS AND MUTUAL BENEFIT SOCIETIES.

[Source: Rapporto sull' Andamento della Cassa Pensioni per il Personale delle Ferrovie Costituente la Rete Adriatica, 1902 to 1906.]

Date of receipt.	Proceeds of the original 2 per cent tax (Sicilian fund, 1 per cent).	Proceeds of the surtaxes established by the laws of April 15, 1897, and March 29, 1900.	Total payments into the Loan and Deposit Bank.	Total value of these proceeds, with interest accrued on deposit in the Loan and Deposit Bank.	Special fund for meeting the deficits of the Meridional pension fund.	Total amounts on deposit with the Loan and Deposit Bank, for the purpose of meeting deficits.
March 31, 1900.....	\$293, 129	\$3, 215, 483	\$3, 508, 612	\$3, 508, 612	(a)	(a)
December 31, 1902.....	938, 532	6, 331, 291	7, 269, 823	(a)	\$959, 727	(a)
December 31, 1903.....	1, 217, 800	7, 511, 848	8, 729, 648	(a)	1, 248, 808	(a)
December 31, 1904.....	1, 589, 154	8, 752, 216	10, 341, 370	10, 977, 583	1, 693, 881	\$12, 671, 464
June 30, 1905.....	1, 848, 902	9, 348, 949	11, 197, 851	(a)	(a)	(a)
December 31, 1905.....	1, 848, 902	10, 052, 801	11, 901, 703	12, 749, 265	1, 757, 702	14, 506, 967
December 31, 1906.....	1, 848, 902	11, 489, 415	13, 338, 317	14, 967, 783	1, 822, 315	16, 790, 098
December 31, 1907.....	1, 848, 902	(a)	(a)	17, 234, 436	1, 891, 731	19, 126, 167

a Not reported.



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## CHAPTER VIII.

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### WORKMEN'S INSURANCE IN NORWAY.

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## **CHAPTER VIII.**

### **WORKMEN'S INSURANCE IN NORWAY.**

#### **ACCIDENT INSURANCE.**

##### **HISTORY.**

Previous to the enactment of the law of July 23, 1894, the employer was responsible only for such accidents to his workmen as were due to his fault or negligence or that of his direct representatives. But in various special laws provision had been made for the victims of accidents in certain industries.

The law of July 14, 1842, article 62, provides that miners who meet with accidents causing prolonged incapacity for work are entitled to free treatment at the expense of the employer, and to the payment of their entire wages during the first two months and of half their wages during the four following months. Articles 29 and 30 of the law of June 6, 1863, concerning public charity, provide that the owner of a mine shall pay the expenses of an injured workman, provided he has not been employed at the mine for a longer period than two years, and therefore can not claim poor relief from the commune.

The law of September 7, 1854, on railroads, declares, in article 16, that the employer is responsible for the faults of his agents.

The marine law of March 24, 1860, imposed on captains and owners the obligation of indemnifying sick and injured sailors on board ship, and intrusted to a special tribunal, composed of a lawyer and two seamen, the adjustment of disputes in this connection.

The marine law of July 20, 1893, article 90, provides that the captain shall give to every sick or injured sailor the necessary care on board ship and on land. In all cases of probably long-continued incapacity for work the sailor may be immediately discharged, and if in a foreign country, intrusted, if possible, to the local consul.

The law of June 15, 1881, modifying that of July 15, 1839, concerning industry, imposes on the owners of workshops the obligation of caring, during four weeks, for such of their workmen as may be rendered incapable of work through sickness or accident.

In 1885 a commission consisting of 11 members was appointed to inquire into the need of factory inspection and to consider the questions of employers' liability and of the insurance of workmen against sickness, accidents, and old age. During the six years of its existence

the commission collected a vast amount of information, and its published reports contained drafts for a factory act and for laws on sickness and accident insurance.

The report of the commission afforded the minister of the interior a basis for a bill, dated April 21, 1893, which was presented to the Storting, though not as a government measure. It could not be discussed in the course of the year 1893, but the social committee of the Storting, established at the beginning of the following session, took it under consideration.

In the memorial accompanying a bill concerning sickness insurance, presented April 7, 1894, the minister of the interior expressed the opinion that accident insurance should not be instituted until the principles of general workmen's insurance had been established. The basis of accident insurance should, in his opinion, be the same as that of invalidity insurance. His conviction was based on a resolution of the International Congress of Industrial Accidents held at Berne in 1891 and on the reports of the Swedish commission which, in 1893, had presented a bill providing for all cases of invalidity, whatever the cause, whether accident, sickness, invalidity proper, or old age. The memorial called attention to the fact that for the working class accident insurance is of comparatively little interest, since the cases of invalidity due to accidents constitute only one-tenth or, for the youngest workmen, one-seventh of all invalidity cases, if under invalidity there be included all incapacity for work whatever the cause. The minister also pointed out the analogy between the nature and economic consequences of accidents and those of occupational diseases, and he remarked that the cost of accident pensions is generally greater than that of pensions for invalidity, and that since the expense of the former is borne by the employer alone, the legislator who should provide for accident insurance before provision had been made for insurance against invalidity would be obliged to give an exact definition of the invalidity resulting from the accident in order to avoid the conflicts which would inevitably arise from the different advantages insured the workman according to the nature of his misfortune. Finally mention was made of the fact that the establishment of general insurance against invalidity would do away with the necessity of laborious investigations, especially those undertaken for the purpose of assigning establishments to various risk classes. But sickness insurance could be established independently of the other classes of insurance. It occupies a special place. For, on the one hand, instead of compensating for the reduction of the loss of the capacity for work, it merely provides temporary aid, and on the other hand its grants are not confused with those of the other kinds of insurance, which begin only when the grants from sickness insurance cease.

Nevertheless the social committee thought it advisable to take up immediately the question of accident insurance, arguing that even though a comparatively small proportion of all cases of invalidity are caused by accidents, their suddenness and the fact that the victim is often in the prime of life give them a special character, and, furthermore, that industry bears a more direct causal relation to such cases than to cases of sickness or to other cases of invalidity, and that it is therefore under greater obligation to give the workman compensation for his losses. The committee thought it possible to organize a system of accident insurance without interfering with the ultimate plans for other forms of insurance, especially since the organization of sickness insurance through private or local agencies is essentially distinct from the organization of accident insurance, for which private initiative is inadequate. To put off the solution of the question of accident insurance until the questions of insurance against invalidity and old age should have been solved would have been, in the opinion of the committee, to retard and complicate it. Hence it proposed the immediate organization of accident insurance along the lines laid down by the ministerial bill of April 21, 1893.

The committee made its report to the Odelsting May 30, 1894, and on June 14 a bill providing for accident insurance passed this house.

This bill provided for compulsory insurance of all workmen in industry and intrusted its administration to a state institution. The aid was to be given from the end of the fourth week after the accident, and in the case of a victim for whose care during the first four weeks no provision had been made through sickness insurance or in any other way, the employer was to make such provision at his own expense. The resources of the institution were to be furnished by premiums paid exclusively by the employers and reckoned on the basis of the wages of the victims with the aid of a classification of risks.

The bill provided for the establishment of a commission including, in addition to two members named by the King, two employers and two workmen appointed by the Storting. This commission was to hear appeals from the decisions of the insurance institution. It also provided for the appointment by the communal authorities of inspectors charged with the enforcement of the law. It prohibited all contracts interfering with the enforcement of the law. It authorized persons included under the new law who should have concluded contracts with private companies to transfer to the State Institution of Insurance their rights and obligations under these contracts.

Provision was also made for voluntary insurance for the employees of establishments not subject to compulsory insurance and for the employers of establishments whether subject or not.

The bill was passed by the Lagting on June 30, 1894, and after repassage by the Odelsting it became a law on July 23, 1894.

As finally passed, the bill differed but slightly from its original form. The principal change consisted in the omission of the scale of premiums and classification of risks by industries and in the provision that these should be arranged by the King with the approval of the Storting.

The main provisions of the law are as follows:

#### PROVISIONS OF THE LAW OF JULY 23, 1894.

The obligatory insurance applies to workmen and others who are employed (1) in factories, in industrial establishments and, in general, at any work carried on in factories involving the use of motive power other than that of man; (2) in mines and industries connected with them, stone quarries, stonecutting establishments, etc.; (3) in the ice industry; (4) in factories which produce or use explosive or easily inflammable materials; (5) in the work of construction, finishing, and repairing of houses, ships, railroads, roads, bridges, wharves, quays, docks, dams, canals, drains, etc., in work on ditches, in work on conduits for gas and water and in the installation of such conduits, and in the repairing or removal of electric wires and lightning rods; (6) in the floating of wood and the work connected with it, in the service of ditches, canals, dams, and in work on railroads and street railway work; (7) in the handling of vessels of any kind, with the exception of the loading and unloading which is done by the crew; (8) in the work of divers and the salvage work connected with it; and (9) in chimney sweeping and in the work of firemen.

Furthermore, in order that the obligation of insurance may apply, the work must be done for an employer whose establishment includes the kind of work mentioned above; it also applies to similar work done for the State or a commune; and the work must continue 30 days at least and require 300 days of work. The provincial department decides, in case of doubt, whether an establishment or a piece of work comes under the law.

The law provided for voluntary insurance, subject to rules fixed by the King: (1) For the employers of establishments subject to obligatory insurance; (2) for workmen in establishments not subject, either collectively, when the insurance is covered for them by their employers, or individually, when each one insures himself; (3) for the employers not subject who have insured their employees according to the preceding provision.

The law excludes from insurance workmen employed by the State or by a commune who, in case of accident, have a claim, either for themselves or for their survivors, to an indemnity adjudged by the King as equivalent to that provided for by the law.

The law confers upon the King the right of exempting from the obligation of insurance establishments in which the workmen are not exposed to any danger of accidents.

The administration of the insurance is intrusted to a state institution established for the purpose.

The object of insurance is to furnish, in case of accident, indemnity for the damage resulting from an injury to, or the death of, the injured person.

The indemnity provided for by the law is of two classes, indemnity to the injured and indemnity to survivors. The indemnity to the injured consists of aid in sickness and pensions. The former consists in the payment, from the end of the fourth week after the accident, of the expenses of medical treatment. If the injured person is insured against sickness, the obligation of giving aid ceases, as far as the sickness insurance institution is concerned, at the beginning of the fifth week. If, on the contrary, the injured person is not insured for the first four weeks, either through membership in a sickness society or by any other means, of free medical treatment and, in case of incapacity to work, of pecuniary aid, the employer must make such provision at his own expense. The Norwegian Government, having solved the question of accident insurance before that of sickness insurance, was obliged to specify, in the law of July 23, 1894, that until a law concerning sickness insurance should go into effect, the rate of pecuniary aid for the first four weeks should be 50 per cent of the victim's wages. Finally, the law charges to the institution of insurance against accidents such exceptional expenses as may be necessitated by the condition of the victim, at least such as are not covered by the grants assured him through other means.

For free medical treatment there may be substituted free hospital care; but in every case, if the victim is married or is living with a parent, his consent is necessary, unless the nature of the sickness requires care which the doctor thinks it impossible to give at home.

The pension consists in periodic aid granted from the end of the fourth week until the cessation of the incapacity for work. The amount of this pension varies according to the degree of incapacity. In case of total incapacity, the pension is equal to 60 per cent of the basic wage, but must not be less than 50 öre (13.4 cents) per working day or 150 crowns (\$40.20) per year; in case of partial incapacity the pension is equal to a fraction of the pension for total incapacity proportionate to the degree of incapacity. Partial incapacity never gives a right to any indemnity unless it involves for the injured person a loss of at least 5 per cent of his wages.

The basic salary is calculated in the following manner: The net wages of the injured person during the last year in the establishment where the accident took place are estimated, and if he has not worked



in this establishment for at least a year before the date of the accident, his annual wages are reckoned as equal to those of workmen of the same category doing the same work or similar work. There are included in the wages his share in the profits, free lodging or ground, free rent, remuneration in kind, and analogous benefits estimated at the average value in the locality. If the establishment is running only part of the year, the value of the total annual wages is fixed by the directors of the insurance institution, whose decision may be appealed to the special commission established by the law. The wages thus determined may not be less than the average daily wages of the manual laborers of the same sex and same age in that locality. No account is ever taken of accidental interruptions of work. In general, if there is no fixed wages for at least a month to serve as a base, there is taken as the basic annual wages 300 times the average daily wages. Premiums and benefits are based on an income of 1,200 crowns (\$321.60) in the case of a person earning more than this amount.

Finally, for apprentices and persons who, not having finished their apprenticeship, are receiving either no wages or only slight wages, and in general, for all workmen whose pay is very slight, a daily base of 1.50 crowns (40.2 cents) for men and 1 crown (26.8 cents) for women is used in the calculation of the wages. If the indemnity calculated on these bases exceeds the real wages of the injured person it is reduced to the amount of the latter, unless the injured person has attained the age of 20 years or the amount of his wages is less than the minimum indemnity for total incapacity.

In the case of a greater or less degree of invalidity which seems likely to continue a long time or to be permanent, the board of directors of the insurance institution may, if the injured person so desires, use a sum of money to provide him with the means of earning a living. This sum must never exceed the amount of the indemnity for five years. If this measure results in profit to the injured person, half of this profit is deducted from the indemnity due him. Disputes as to the existence and the amount of profit are referred to the special commission established by the law. If the existence of a profit has not been proved, the person interested receives three-fourths of the normal amount of indemnity for the period to which the amount used by the board of directors of the insurance institution corresponds.

Indemnity to survivors of the injured person is of two kinds: (1) Burial aid and (2) pensions to the widow or widower, to orphans and to ancestors of the injured person. The burial aid is fixed at 50 crowns (\$13.40). The amount of the pension is (a) for the widow, 20 per cent of the injured person's wages, this pension being paid from the death of the injured person until the death or remarriage of the widow; (b) for the widower if he is incapable of work, 20 per

cent of the injured person's wages as long as his incapacity continues; (c) for every legitimate orphan, 15 per cent of the injured person's wages; if the husband or wife of the injured person is already dead or dies afterwards, 20 per cent of the same wages; if the father and the mother, both insured, die by accident, 15 per cent of the wages of each; this pension is paid from the death of the injured person until the survivor attains the age of 15 years; (d) for every natural orphan born before the accident, the same pension as for a legitimate orphan; (e) for direct ancestors of both sexes who have derived their principal support from the injured person, 20 per cent of his wages; this pension is paid the ancestors from the death of the injured person until their death or until they cease to be in need; it is distributed equally among those entitled to it.

The pension of the surviving husband or wife, together with those of the orphans, must not exceed 50 per cent of the wages; if it does exceed this amount the pensions must be proportionally reduced. In the case of competition with a wife or husband or with orphans, ancestors have no claim to a pension greater than the amount by which the maximum of 50 per cent of the wages exceeds the combined amount of the pension of the wife or husband and orphans. In the lack of one of the survivors, the survivor next in order succeeds him according to definite rules. A widow who remarries receives three times the amount of her annual pension, the payment of which then stops. These pensions are also allowed while the injured person is staying at a hospital.

The claim to indemnity is permanent and unseizable. This provision may not be disregarded except for the purpose of contributions to the support of the wife or children and of the contribution to public charity which may be incumbent on the survivor.

Employers may not, either by contract or by rules, free themselves, to the detriment of the insured workmen, of the obligation imposed on them by the law.

The right to indemnity exists when there has been an industrial accident; and the indemnity is not refused unless the accident was intentionally caused by the injured person.

The law makes special provisions concerning the rights of the widow, the widower, the children, and the ancestors. A widow or widower has no claim to indemnity if the marriage took place after the accident, and the same holds true of a widow or widower, who, at the time of the accident, was living apart from the injured person, without receiving or being entitled to demand support; children, either legitimate or natural, have no claim to indemnity if born after the accident; ancestors in competition with other survivors have no claim, if the pensions of the latter amount to the legal maximum.

The law makes no distinction between foreigners and Norwegians, but the survivor of a foreigner who, at the time of the accident was not living in Norwegian territory, has no claim to a pension. But if the person who is entitled to a pension lives outside the realm the board of directors of the insurance institution may, for the purpose of avoiding exceptional risks, substitute for the payment of the pension a single payment of an amount, especially determined for each case but at least equal to three times the annual pension. In case such a person returns to Norway no pension is allowed him until the expiration of the period to which the amount of the single payment already made corresponds under the system of the periodical payment of indemnity.

The employer or his legal representative is subject to the rules of civil responsibility when a penal sentence proves that he has intentionally, or through gross carelessness, caused the accident. The indemnity in such cases consists of a single payment, to which the insurance institution or sickness society has a claim up to the amount of its expenditures.

The employer is not responsible for the payment of an indemnity on account of the acts of his representative; but if the establishment belongs to a company the latter is responsible for the acts of its directors or its members. When the death of the person held liable, his absence, or any other cause has prevented a penal sentence, the responsibility definitely provided for by the law exists, nevertheless. Third parties who have caused an accident are responsible under the general rules of responsibility, and a judicial decision fixes the amount to be paid in the discharge of this responsibility.

The amount of the indemnity is determined by the insurance institution, either spontaneously and of its own accord, or at the request of the parties concerned. Every accident which occurs in an establishment subject to this act and which may give rise to a claim for indemnity shall be reported in writing by the employer or his representative, at the time, to the inspector of insurance. The report shall be sent immediately if the accident is severe, and in any case within four weeks. Any one who fails to make or who delays such a report may be fined unless the offense gives occasion for more severe punishment under the penal law. The report must be made in duplicate.

The inspector shall then proceed to make an investigation for the purpose of determining: (1) The causes and the circumstances of the accident; (2) the gravity of the accident and the condition of the victim; (3) the survivors; and (4) the conditions of compensation to the injured person. The inspector shall then report his findings to the insurance institution.

The board of directors of the insurance institution may, if it deems it necessary, set on foot a judicial inquiry into the facts necessary for the determination of the indemnity. To this inquiry shall be summoned, in addition to the inspector of insurance, the employer, the president of the sickness society with which the injured person may be insured, and the survivors or their guardian or representative. Experts may be called if necessary.

When the facts necessary for the determination of the indemnity have been assembled, the amount of the indemnity shall be determined at once by the board of directors of the insurance institution, and the persons interested shall at once be notified of the terms of settlement. All interested parties have an interval of two years from the date of the accident during which to make their demand on the insurance institution.

The decision of the board of directors of the insurance institution shall be merely provisional if the circumstances prevent an immediate final decision; in such cases the indemnity is fixed only for the period of medical treatment.

If the facts on which the determination of the indemnity have been based change essentially, a new determination may be made which may result in an increase, a reduction, or the complete suppression of the pension. The ministerial instruction of February 5, 1895, makes it the duty of the inspector of insurance to keep the board of directors of the institution informed of the changes which may take place in the condition of the injured person.

The law makes special provision for cases in which the circumstances make it impossible to wait for the decision of the board of directors of the insurance institution. The inspector of insurance may provisionally grant the necessary aid. In completion of this provision the ministerial instruction of February 5, 1895, stated that the inspector might, in case of the death of the injured person, grant burial aid to the amount of 50 crowns (\$13.40) and give the survivors daily pecuniary aid not to exceed per person one-fifth of the victim's daily wages, or, altogether, half of his wages.

Burial aid shall be paid as soon as possible after death; the daily pecuniary aid during sickness shall be paid at the end of each week; the pension shall be paid at the beginning of each month; and no payment shall be made for a fraction of a month.

The indemnity shall be paid either at the nearest post-office or to the inspector; the communal authorities interested are charged to give the most recent information bearing on this point. The law also provides for the case of an injured person who belongs to a sickness society by which he is insured of treatment during the first four weeks after the accident and which bears in part the expenses of the indemnity for the accidents; in this case the insurance institution may

require the sickness society to continue the same service after the expiration of the four weeks and until the medical aid ceases; and the insurance institution shall reimburse the society for the expenses of this service.

Every proprietor of an establishment subject to insurance shall, within eight days after his establishment is opened, make to the local inspector a declaration of the object and the nature of the establishment, the number of persons therein engaged, the total amount of their annual wages, and the date on which the establishment was opened.

If the declaration is not made, the inspector shall himself obtain the necessary information. Every tardy or false declaration is punished by a fine unless the offense involves, by its nature, more severe punishment under the penal law. If, on account of failure to make the declaration or of its inexactitude, a sufficient premium has not been paid, the fine may be made three times the unpaid deficiency. Forms for such declarations are furnished by the insurance institution. According to ministerial order of February 5, 1895, the declarations shall be made in duplicate; after verification by the inspector they are sent to the insurance institution, which gives the establishment a membership number and returns to the inspector one of the copies bearing this number. Every establishment subject to insurance must post a placard to this effect.

A list of establishments subject to insurance shall, according to ministerial instructions, be kept by each of the inspectors for the district of which he has charge. All changes in the object or nature of the establishment which may influence its obligation of insurance are to be reported by the employer to the local authorities within eight days.

By means of the facts stated in the declaration, the board of directors of the insurance institution decides the question of the obligation of insurance for each establishment; the decision of the board may be appealed to the commission of appeals.

The administration of the institution is intrusted to a board of directors assisted by inspectors and special agents. The organization of the board of directors is left to the King, the law merely providing that all expenses connected with its work shall be borne by the State.

On September 21, 1894, the Government appointed a committee to make a study of measures necessary to put the new law into force. Apart from the classification of risks and the calculation of the scale of premiums, these measures had to do with the organization of the insurance institution. The committee made its suggestions December 24, 1894, and the Government presented them to the Storting on January 30, 1895. On March 2, 1895, the by-laws of the insurance institution were approved by the Storting.



According to its by-laws this institution is managed by a board of directors composed of three members, a director called the managing director and two associate directors appointed by the King. The two associate directors are appointed for a period of six years and are replaced, one at a time, at the end of each period of three years. The retiring member may be reappointed. They are assisted by a secretary, an accountant, a treasurer, and office employees. The latter are appointed by the insurance institution, the other agents by the ministerial department concerned.

The board meets regularly once a week, but other meetings may be called by the director. No decision may be made unless two members are present. Minutes of the meetings are kept. The law intrusts the entire management to the board of directors. The board decides for each establishment the question of the obligation of insurance and that of its assignment to one of the risk classes; it determines the indemnities to be paid for accidents, with the cooperation of the inspectors for insurance and the factory inspectors, and, if necessary, of the judicial authorities. According to the by-laws the board of directors collects and compiles the statistics of accidents; it supplements the result with the information furnished by the factory inspectors, in order to determine the scale of risks and when necessary to prepare new legal provisions. It renders an annual account and publishes, under the title "Communications from the Institution of Insurance" (*Meddelelser fra Rigsforsikringsanstalten*) a nonperiodic bulletin intended to furnish necessary information to the public and to the organs intrusted with the realization of insurance.

The law provides that in each commune the authorities shall appoint one, or, if the board of directors of the insurance institution deems it necessary, several inspectors. These inspectors were to be appointed within four months after the law went into effect. Their names and addresses are to be published. They have direct control over the making of declarations, assist in the determination and collection of the indemnities due from undertakers, assist in the payment of indemnities, and are charged with the duty of inquiring into the cause and the prevention of accidents.

According to ministerial instructions the inspector shall, in his district, attend to the enforcement of obligatory insurance and perform such duties as may be assigned to him by the insurance institution or the ministerial department concerned. In case the inspector of insurance is not the factory inspector he is to cooperate with him. According to ministerial instructions the inspector keeps a list of establishments subject to insurance in his district; he is to keep a daybook of the information he receives, and is to keep a copy of all letters and an account of the collections and payments which he makes for the insurance institution. The same rule concerning



secrecy which applies to factory inspectors applies also to inspectors of insurance. The pay of inspectors is fixed by the communal authorities; half of it is paid by the commune concerned and half by the insurance institution. Special agents, as occasion demands, may be appointed by the insurance institution.

The funds required for the insurance shall be raised by means of premiums calculated according to the amount of wages and the class of risks. To this end all industries to which the law applies shall be classified according to the nature of their risks; and to each class is assigned a coefficient of risk which gives the required premium in percentage of the wages.

The law gives the King the right to determine the distribution of the industries among the classes of risks and the series of coefficients applicable to each class; this assignment and these coefficients are subject to revision three years from the time the law goes into effect and every five years thereafter.

The committee appointed September 21, 1894, had recommended the adoption of the scale and classification contained in the act. The Government submitted these proposals to the Storting January 20, 1895. The social committee of the Storting examined an independent project, presented April 6 of the same year, which distributed the industries among 6 groups and 10 classes of risks.

The social committee believed that experience alone would make it possible to judge the value of the proposals before it, and hence it adopted on May 16, 1895, the proposal which had already received the approval of the Government; that is, the one in the bill of 1894.

The declarations furnished by the owners of establishments subject to insurance afford the board of directors of the insurance institution the means of determining to what class of risks each establishment shall be assigned. The owner of the establishment is informed as soon as possible of the class of risks to which his establishment is assigned and the coefficient of risk according to which the corresponding premiums will be calculated.

In the case of an industry not mentioned in the scale, the provincial department concerned shall assign the establishment to a risk class; in the case of an establishment including several kinds of undertakings belonging to different classes of risks, the insurance institution determines the coefficient of risk for the establishment, with the understanding that appeal may be made to the appeal committee.

The premium is paid exclusively by the employer. The amount of the basic wages used may never exceed 1,200 crowns (\$321.60) yearly. In the case of insured persons to whom the law assigns fictitious wages as the basis for the calculation of indemnities this amount shall be taken as the basic wages.

The employer shall send an estimate of his contribution to the board of directors of the insurance institution within two months after the close of the fiscal year, or within one month after the closing up of his establishment. In the case of tardiness or inexactitude in making the declaration or calculations required from the employer, the penalties provided in general for making false or tardy declarations are imposed. A reduction of wages by the employer to offset the payment of his premiums is punished with the same penalties.

The board of directors of the insurance institution has the right to calculate premiums due from an employer who has not discharged his obligations in this respect. Moreover, in order to permit the exercise of this right by the board of directors and at the same time to afford a means of controlling the estimates sent by employers, the law provides that the board of directors may cause examination, either by the inspector of insurance or by a special agent, of the books and documents containing information of the number of persons insured and the amount of their wages.

The contribution due from each establishment shall be paid within the fifteen days following the beginning of the period of four months for which it is due. Contributions not paid are regarded in the light of taxes and forced execution may be resorted to for the purpose of collecting them.

According to the by-laws of the insurance institution the board of directors publishes each year an account of its management of the institution during the preceding year. It was provided that at the end of the first month after the law went into effect and subsequently every five years the board of directors should present a complete review of the accidents which had taken place, of their nature and their seriousness, and of the indemnities granted. These accounts and reviews are presented to the first session of the Storting after their compilation. By its very nature the insurance institution may not be dissolved.

The law provides that if a person whom it submits to the obligation of insurance is already insured against accidents with a private society by a contract assuring him of indemnity corresponding to that defined by the law, he may transfer to the insurance institution his obligations and rights under the existing contract; the insurance institution shall then pay the premium and receive the indemnity provided for in the contract.

The decisions of the board of directors of the insurance institution may be appealed to a special commission. This commission, having its headquarters at Christiania, is composed of seven members. Three of them, including the president, who shall be versed in the law, a physician, and an engineer, together with their substitutes, are appointed by the King for a period of five years; the other four,

including two employers and two workmen, as well as one employer and one workman serving as their substitutes, are appointed by the Storting for a period of three years. The members of the commission are paid for attending meetings and are allowed traveling expenses. The commission may consult experts.

All appeals from the decisions of the board of directors of the insurance institution shall be made to the commission within six weeks from the time of the announcement of the decision.

The law confers upon the board of directors of the insurance institution the right to set on foot an examination, either by the inspector of factories or by a special agent, of the premises of a business which seems to involve special dangers, for the purpose of determining to what extent these dangers may be prevented and what means should be used. It provides, moreover, that if the dangers which are proved to exist can not be prevented, or, if the preventive measures prescribed by the board of directors of the insurance institution are not taken, this board may assign the establishment to a higher risk class, or, if it already belongs to the highest class, increase the rate of its premium to three times the original. The decision of the board is subject to appeal in the same manner as the original determination of the amount of the premium.

According to the by-laws of the insurance institution, the board of directors shall, if it considers that the number of accidents in an establishment is unnecessarily high, take, in cooperation with the inspector of factories, the necessary measures to remedy the situation.

Papers made out in connection with the insurance are exempt from stamp duty. No postage is charged the insurance institution. The expenses involved in the calling of witnesses are borne by the public treasury. All fines imposed under this act are to be paid to the insurance institution.

The law went into effect January 1, 1895.

#### LAW OF AUGUST 6, 1897.

As has been seen, the law of 1894 provided that the first revision should take place three years after the time at which it went into effect. Before the law had been in force a year it became evident that the scale of premiums was too low to meet the obligations of the insurance institution and that a deficit would be the result. While the principal cause of the inability of the institution to meet its obligations was the inadequacy of the premiums, other factors also had an important effect. The law had been put into operation before sufficient time had been given to provide for adequate administration of its provisions; the provision in the law fixing a minimum period of employment below which no premiums were to be paid caused serious

loss to the institution. Moreover, employers, in many cases, failed to make reports at all or did not keep the insurance institution informed of the changes which had taken place in their undertakings, and for such offenses the law prescribed no penalties.

The minister of the interior took the initiative in the needed reform, and on June 19, 1897, the Government presented to the Storting a project of law which led to the law of August 6, 1897. This law provides that the obligation of insurance is independent of the duration of the employment. Secondly, it imposes the obligation on every employer coming under the law of making a complete report of his business. It provides, furthermore, that this declaration, made in duplicate, shall give all the information necessary to show whether the business is subject to insurance and to determine the class of risks and the corresponding premium. Thirdly, the law of 1897 applies only to employers making inexact declarations the provisions as to the amount of the fine which the law of 1894 also applied to those failing to make prompt declarations; but the law of 1897 provides that the employer who, after being fined, fails to discharge his obligations under the law, shall pay a second fine equal to at least twice the amount of the first. But no penalties were prescribed for failure to give the required information concerning changes in their business.

#### REVISION OF 1898.

The minister of the interior, after the law of 1894 went into effect, invited the Royal Institution of Insurance to present a project for its revision at the date provided for in the law. This project was presented April 20, 1898. The institution, in its project, stated that it did not care to advocate a new classification of risks or a different scale of premiums, since its administrative force was wholly insufficient for such a task and adequate statistical data were wanting. But to enable the Storting to come to an immediate decision it presented two propositions: First, to retain the classification and scale then in force, but with modifications and with the insertion in the classification of the administrative decisions which had been made concerning certain industries in accordance with the law, and with the understanding that as soon as possible the law of 1894 should be so amended as to permit revision of the classification of risks at any time; second, to go back to the scale presented on April 6, 1895, and modeled on the Austrian scale and to adopt from it the maxima of the second variant. The institution gave its preference to the first proposition. On May 18, 1898, the minister declared himself in favor of the first proposition.

With reference to the question of how the deficit should be met, he took issue with those who held that because of the state guarantee in

the law the public treasury should pay it. He insisted that when the law was under discussion it had been understood that the treasury should intervene only under extraordinary circumstances, such as financial crises, wars, or exceptionally bad years, and that under ordinary circumstances the insurance institution was expected to meet its expenses with its own resources, which consisted of premiums suitably calculated and periodically revised.

The minister's propositions were accepted by the Storting, and on July 11, 1898, received royal sanction.

In his report of February 27, 1899, the director of the Royal Institution of Insurance stated that the deficit, which was 356,641.63 crowns (\$95,579.96) on December 31, 1896, had increased to 548,000 crowns (\$146,864) at the end of 1897, and was likely to continue to increase as long as the scale of premiums in force continued to be applied. He made several proposals for putting the institution on a sound financial basis, among which were, that the State should meet the existing deficit and that the scale of premiums should be revised to prevent a future deficit.

In a report of May 2, 1899, the minister of the interior proposed that the deficit be covered by two annual grants of 250,000 crowns (\$67,000) each and that the scale of premiums be revised. The Storting adopted these proposals and the grants were made.

Since, on account of the advanced stage of the work of the special committee intrusted with the study of insurance against invalidity, there was reason to expect, at an early date, a revision of the accident insurance law, the Government preferred to postpone the proposed modifications of the law and the decision as to who should be responsible for future possible deficits and merely to formulate measures permitting the raising of the scale of premiums for the purpose of providing sufficient income for the insurance institution. Meantime, the public treasury could be expected to come to the rescue in case of necessity. Accordingly, the minister of the interior presented a bill which, with certain modifications, became the law of December 23, 1899. The chief provisions of this law are as follows:

#### LAW OF DECEMBER 23, 1899.

The right of determining the distribution of industries among the risk classes and the coefficient applicable to each class is given to the King alone without the necessity of approval by the Storting; but it is provided that the Storting has the right to revise this distribution and these coefficients every three years, beginning with 1903, before the end of June. The revision may be made at any time instead of every five years, as provided by the law of 1894. The changes are not to go into effect before the beginning of the following year, and



unless the Storting otherwise provides, they shall be published at least two months before going into effect.

The law of 1894 provided that the coefficient of an establishment which included kinds of work belonging to different risk classes should be determined by the board of directors of the insurance institution. The present law further provides that they may proceed in either of two ways: (1) They may calculate separately the premium for each of the kinds of work under consideration when it is possible to distinguish them clearly as to certain matters, such as the number of workmen and the accounting; or (2) they may fix an average premium for the whole enterprise. Unlike the law of 1894, the law of 1899 makes no provision for industries not mentioned in the scale.

The law requires employers to keep lists of wages according to a form approved by the insurance institution, and it provides that employers who fail to fulfill this obligation shall be subject to the same penalties as those employers who fail to make declarations or who make false ones. It imposes the same penalties for failure to furnish estimates of the amount of premium due, whereas the law of 1894 merely provided for intervention on the part of the insurance institution in such cases. The same right of intervention may, however, be exercised at the discretion of the insurance institution. A retention of a portion of the wages in view of the payment of the premium involves the same offense as a reduction, which alone is referred to in the laws of 1894 and of 1897.

In order to establish perfect harmony between the spécial accident law and the law in general, the new law provides that forced execution for the collection of premiums in arrears may be carried out by the official ordinarily intrusted with this duty.

The seriousness of the lack in the law of 1894 of adequate provision for penalties for delinquent employers, a defect which the law of 1897 had failed to correct, was emphasized by the fact that, owing to the wave of prosperity which swept over the country shortly after the law went into effect, employers were tempted to refrain from making the required declarations of workmen and wages, so that the institution was obliged to continue to determine the amounts of their premiums on the basis of the old declarations, and the estimated contributions of the majority of the establishments consequently remained the same from year to year. The extent of the evil is indicated by the following table, from which it appears that during this period there was a radical increase in the number of workmen and in their wages, and consequently in the number of persons insured and in the average amount of compensation paid by the institution.



**NUMBER OF ESTABLISHMENTS AND EMPLOYEES INSURED, WAGE DECLARATIONS, AND AVERAGE WAGES, 1896 TO 1899.**

[Source: Die Arbeiter-Versicherung im Auslande, Dr. Zacher, Heft IIIb, 1903, p. 18.]

Item.	1896.	1897.	1898.	1899.
Number of insured establishments.....	8,319	8,471	9,246	9,782
Number of wage declarations.....	4,840	4,528	4,571	5,250
Number of insured workmen.....	115,563	119,719	134,520	144,566
Average daily wages.....	\$0.69	\$0.70	\$0.73	\$0.76

As soon as the new law went into force it became possible to force the making of the delayed statements of wages for the entire period from 1895 to 1899, since the offense of the employers, as an offense of omission, was not subject to the statutes of limitations. The testing of the declarations took place in the years 1900 to 1902 and the result fully proved the suspicion which had been expressed that the employers had very considerable back payments to make.

The law of December 23, 1899, requires that unless the Storting shall decide to the contrary, every modification of the classification of risks and scale of premiums shall be published at least two months before going into effect. But in order that the new classification of risks and scale of premiums might go into effect January 1, 1900, the Storting set aside this provision for the time being, and on December 30, 1899, the King decreed that on January 1, 1900, a new classification should go into effect.

**CLASSIFICATION OF RISKS AND SCALE OF PREMIUMS OF 1903.**

The law of December 23, 1899, required that the classification of risks and the scale of premiums should be revised before the end of June, 1903.

Having been invited by the minister of commerce and industry on October 27, 1902, to present a plan of modification, the Royal Institution of Insurance presented a memorial containing suggestions that the scale of premiums of 1900 be retained and the classification of risks of 1900 be partially modified.

These suggestions were adopted by the Storting May 27, 1903, and received the royal sanction on August 1 following.

The new classification of risks was as follows.<sup>(a)</sup>

No establishments were placed in the first three classes of risk.

**FOURTH CLASS.**

Porcelain factories.

Factories making products of baked earth.

Crockery factories.

Potteries, without motors.

Factories making gold and silver articles.

<sup>a</sup> Belgian Annuaire de la Législation du Travail, 1903, p. 439.

Tack factories, without motors.  
 Type foundries.  
 Manufacture of instruments and apparatus without motors.  
 Manufacture of pianos, harmoniums, and organs, without motors.  
 Manufacture of perfumes, without motors.  
 Establishments for the treatment of whale oil with steam.  
 Woolen factories (exclusively weaving).  
 Linen factories (exclusively weaving).  
 Bag factories.  
 Ribbon factories, with motors.  
 Cotton factories (exclusively weaving), with motors.  
 Twisting of thread for knitting, exclusive of spinning mills.  
 Dressing establishments, without motors.  
 Dyeing establishments, without motors.  
 Knitted vest factories (without spinning).  
 Factories making knitted articles, fish nets, etc.  
 Factories making flies for fishing.  
 Bookbinding establishments, without motors.  
 Saddlery shops.  
 Manufacture of traveling outfits and similar articles.  
 Factories making articles from india rubber and gutta-percha, without motors.  
 Factories making rubber stamps.  
 Factories making hardware, fancy articles, and wooden toys, without motors.  
 Factories making straw articles.  
 Factories making horn buttons, etc., without motors.  
 Brush and artists' brush factories, without the making of handles.  
 Dairies or cheese factories, with motors or steam boilers.  
 Tobacco factories.  
 Glove factories.  
 Hat factories.  
 Garment factories; cutting shops, with motors.  
 Cravat factories.  
 Fur factories.  
 Cloth button factories.  
 Umbrella and parasol factories, without manufacture of canes.  
 Factories making paper articles (envelopes, bags, etc.).  
 Laying of pavements with cementing of flag stones, of courts, etc. (as an independent industry).  
 Printing offices; lithographic shops.  
 Manufacture of photogravures and photographs.  
 Playing card factories.

FIFTH CLASS.

Tripoli factories.  
 Factories for making articles from marble.  
 Factories for making articles from plaster.  
 Factories for making peat for burning (uncompressed).  
 Potteries with motors.  
 Glass works.  
 Needle, hook, and fishhook factories.  
 Metal foundries, without motors.  
 Metal button factories.  
 Manufacture of instruments and apparatus, with motors.  
 Watch and clock factories.  
 Pharmacies, with motors or steam boilers.

Faggot factories.  
Carriage factories, without motors.  
Candle factories, without motors.  
Soap factories, without motors.  
Petrol briquette factories, with motors.  
Manufacture of perfume.  
Establishments for treating whale oil with steam.  
Woolen factories, in general (spinning, weaving, and dressing).  
Hemp spinning and rope making establishments, without motors.  
Manufacture of fish lines.  
Hemp, jute, and linen factories, in general (spinning, dyeing, and dressing).  
Dressing factories, with motors.  
Jute weaving establishments (exclusively).  
Cotton and half wool factories (spinning, weaving, and dressing); wadding factories.  
Dyeing establishments; laundries and cloth printing establishments, with motors or steam boilers; apparatus for fulling cloth.  
Establishments for impregnating cloth.  
Bookbinding establishments, with motors.  
Pasteboard, ruled paper, etc., factories.  
Cork cutting.  
Frame and gilded rod factories, except planing.  
Horn button, etc., factories, with motors.  
Bakeries.  
Animal and vegetable preserve factories, except the making of boxes; preparation of sausage and of fish, with motors.  
Animal and vegetable desiccating factories.  
Coffee roasting establishments, with motors.  
Mustard factories.  
Margarine and artificial butter factories.  
Malt houses, separate from breweries.  
Condensed milk factories, not including making of boxes.  
Manufacture of sparkling wines and sirup factories.  
Boot and shoe factories.  
Lingerie factories.  
Waterproof clothing factories.

## SIXTH CLASS.

Factories making articles from sheet iron or from other sheet metals, without motors.  
Rivet factories.  
Safe, etc., factories, without motors.  
Chain factories.  
Knife, scissors, etc., factories, with motors.  
Tack, etc., factories, with motors.  
Blacksmith shops, without motors.  
Scythe and sickle factories.  
Horseshoe factories.  
Shot factories.  
Impressing, striking, stamping, and compressing of metals, without motors.  
Factories making metal-objects in general; copper foundries.  
Stone sawing and polishing establishments.  
Factories making cement articles.  
Washing of kaolin, clay, and colored earth.  
Mortar factories.  
Velocipede factories.

Gunsmith shops and gun factories, with motors.  
 Manufacture of telephone and telegraph apparatus, without installation.  
 Lamp factories.  
 Piano, organ, and harmonium factories, with motors.  
 Manufacture of guano and other artificial manures, without motors.  
 Manufacture of dried night soil, with removal and disinfecting establishments (but not including sweeping of streets and courts).  
 Candle factories, with motors.  
 Soap factories, with motors.  
 Peat-charcoal factories.  
 Artificial-wool factories.  
 Wool spinning factories.  
 Felt factories.  
 Sailcloth factories (exclusively).  
 Tow factories, with motors.  
 Sand and emery paper factories.  
 Carpet factories.  
 Oilcloth factories.  
 Leather factories; establishments for preparing skins, and leather dressing establishments, with or without tanning mills, and leather dyeing establishments.  
 Belt factories; thong factories.  
 Factories making articles from india rubber and gutta-percha, with motors.  
 Turning shops; wood engraving shops; cane factories, etc., without motors.  
 Wooden mold factories, without motors.  
 Manufacture of Venetian shutters, blinds, shades, and awnings, including erection.  
 Joining, including furniture making, without motors.  
 Chocolate and candied products factories; confectionery factories.  
 Biscuit factories.  
 Factories making derivatives from coffee, with motors.  
 Vinegar factories, without motors.  
 Mineral water factories.  
 Compressed yeast factories.  
 Feather cleaning, with motors.  
 Ordinary laundries and chemical laundries.  
 Laying of asphalt as an independent business.

SEVENTH CLASS.

Work in warehouses of various kinds (except loading and unloading); work of shipment.  
 Iron and steel wire factories.  
 Metal foundries, with motors.  
 Button, door, and lock factories; factories making articles from iron and steel.  
 Factories making articles from chamotte (handwork), not including clay digging.  
 Brickyards (principally handwork).  
 Wooden-ship yards; building of cutters and yachts; docking vessels (as an independent business).  
 Carriage factories (ordinary carriages), with motors.  
 Manufacture of colors; Brazil wood mills and similar apparatus.  
 Match factories, including all kinds of work.  
 Bone mills and crushers.  
 Combustion of detritus with extraction of grease, glue, etc.  
 Glue factories.  
 Manufacture of guano and other artificial manures, with motors.  
 Cotton spinning factories.

Cooper shops and cask factories, without motors.  
 Manufacture of hardware, fancy articles, and wooden toys, with motors.  
 Manufacture of shoe pegs, with motors.  
 Vinegar factories, with motors.  
 Factories making animal and vegetable preserves (including manufacture of boxes).  
 Manufacture of condensed milk (including manufacture of boxes).  
 The maintaining of roads (including winter work) and stone crushing.  
 Work of glaziers (on buildings).  
 Upholstering.  
 The Norwegian marine.

## EIGHTH CLASS.

Cleaning of grains.  
 Quartz and feldspar mills (except quarrying).  
 Lime burning (except the extraction of raw material).  
 Factories making articles from chamotte, machine work (except digging of clay).  
 Manufacture of hammers, axes, and tools; cutting and making of files.  
 Manufacture of safes, with motors.  
 Manufacture of screws and nails, with motors.  
 Blacksmith shops, with motors.  
 Factories for making iron braces for pumps, boilers, etc., with motors.  
 Small machine shops, mainly for repairing of sewing machines, velocipedes, sporting goods, etc.  
 Manufacture (with or without installation), with motors, of machines and of apparatus for lighting and transference of electric power. The construction of long electric circuits is listed separately.  
 The large chemical industry.  
 Carburet of calcium factories.  
 Lacquer factories.  
 Dry distillation from wood and of products derived from wood.  
 Gas works with or without the construction of conduits.  
 Manufacture of oils (including herring oil) and accessory products.  
 Varnish factories.  
 Hemp and jute spinning and rope factories, with motors.  
 Linoleum factories.  
 Carton pierre factories (impregnation).  
 Planing shops (exclusively).  
 Turning shops, wood engraving shops, cane factories, etc., with motors.  
 Factories making lasts and soles for wooden shoes.  
 Overshoe factories, including the leather work.  
 Factories making potato farina, starch, macaroni, sago, etc.  
 Construction and maintenance of roads (including street sweeping, removal of snow, shovel work, and stone crushing).  
 Installation of electric lighting and electric power (small plants), bells, and private and domestic telephones.  
 Public telephones and telegraphs.

## NINTH CLASS.

Work in wood yards and in felling trees (not including loading and unloading).  
 Coal, coke, and wood yards, without motors (not including loading and unloading).  
 Manufacture of grindstones, whetstones, and polishers.  
 Stamping mills (exclusively).  
 Washing shops (mechanical preparation).  
 Cement factories.  
 Manufacture of peat litter, of earth from peat, and of peat for burning.

Steel and iron foundries, with or without shops for making locks or models.  
 Impressing, striking, stamping, and compressing of metals, with motors.  
 Manufacture of gas and water pipes for conduits and sewers, and of heating apparatus with or without their installation.  
 Machine shops (machine construction, foundry work, modeling, brazing, bridge construction, forges, etc., including all kinds of work, even mounting).  
 Cleaning of boilers and keels of ships (as an independent business).  
 Installation of motor power for renting out (steam).  
 Petroleum refineries.  
 Electric works, with or without the work of conduction or installation. The construction of long circuits for the transportation of power and lighting is put in another class.  
 Tan mills and crushers.  
 Cooper shops and cask factories, with motors.  
 Wheelwright shops, with motors.  
 Block-making shops, with motors.  
 Flour mills.  
 Butcher shops, sausage factories, and meat smoking establishments, with motors.  
 Spice mills (as an independent business).  
 Brandy distilleries.  
 Breweries, with or without malt houses annexed.  
 Liquor factories (without distilleries), without motors.  
 Installation of electric tramways in streets or on roads already built.  
 Work of locksmiths in buildings.  
 Work on gas and water conduits and on sewers (including excavation), and installation of heating apparatus.  
 Service in water pumping stations.

TENTH CLASS.

Operation of electric railways (not including power houses).  
 Floating of wood, making of rafts, and cutting up of timber.  
 Service on canals and locks.  
 Coal, coke, and wood yards, with motors for wood cutting (not including loading and unloading).  
 Working in minerals (feldspar, apatite, etc.).  
 Brickyards (machine work).  
 Manufacture of articles from sheet iron and other sheet metals and tinware factories, with motors.  
 Yards for the construction of iron or steel ships (new construction and repairs, construction of machines, foundry work, modeling, brazing, etc., including all kinds of work).  
 Dismantling of vessels.  
 Carriage factories (principally railroad coaches), including all kinds of work.  
 Cellulose factories.  
 Wood polishing establishments.  
 Pasteboard and paper factories.  
 Painting.  
 Norwegian army.  
 Waters and forests.

ELEVENTH CLASS.

Work in warehouses of different kinds, including work of loading and unloading.  
 Coal, coke, and wood yards, without motors, but including loading and unloading.  
 Copper mills (metallurgic establishments).



Mounting of machines, power shafts, etc. (as an independent business).

Towing, etc. (as an independent business).

Wooden mold factories, with motors.

Box factories, with motors.

Regulation of water courses, dike construction, etc.

#### TWELFTH CLASS.

Operation of railroads.

Aerial transportation.

Work in wood yards and work of felling trees (including loading and unloading).

Harvesting, transportation, and storing of ice (not including transportation by water).

Coal, coke, and wood yards, with motors, including loading and unloading.

Iron mills (metallurgic establishments).

Rolling mills (as an independent business).

Annealing of iron (as an independent business).

Slate quarries of different kinds.

Sand and gravel digging (as an independent business).

Manufacture of gravestones (including stonecutting but not quarrying).

Crushing or stamping mills with stone quarries or gravel beds therewith connected.

Establishments for the impregnation of wood.

Joinery (including furniture manufacture), with motors.

Work in cement and béton, running of foundations, vaults, etc. (as an independent business).

Construction of foundations, work of leveling and filling (as an independent business).

Plastering and stucco work.

Joinery on buildings.

Chimney sweeping.

#### THIRTEENTH CLASS.

Small flour mills and sawmills connected with them (one director for milling and sawing).

Harvesting, transporting, and storing of ice (including transportation by water).

Stone quarries (including cutting of paving stones, of facings, and of building stones).

Clay digging (as an independent business).

Stonecutting (in shops, on constructions, and in yards).

Lime burning (including quarrying).

Mining of ore with or without the sorting.

Sheet-iron manufacture (boilers, reservoirs, turbines, etc.).

Work on bridges, new construction or repairing (as an independent business).

Mounting of iron constructions for buildings and work therewith connected (as an independent business).

Construction of telegraph and telephone lines and of power circuits; electric lighting and electric tramways (as an independent business).

Planing shops with circular and ribbon saws.

Sawmills for making veneering and staves.

Sawmills without circular saws, for squaring and cutting.

Small sawmills combined with planing shops (without rebate plane).

Official service of light-houses and signals.

#### FOURTEENTH CLASS.

Shipment by steamboats from quays, moles, or with the aid of rowboats.

Loading and unloading of merchandise.

Stone quarries (detached).

Breaking of raw ore, hand work (as an independent business).

Sawmills with circular saws for squaring and cutting.

Work on ports (especially on quays, moles, and docks).

Official service of canals.

Official service of ports.

Canals and locks (new construction and keeping in repair).

Building work (construction and keeping up of houses), including all kinds of work.

Masonry, with or without construction of scaffolding.

Work of fire extinction, including conducting of water and other kinds of work connected with it.

#### FIFTEENTH CLASS.

Steam thrashing.

Manufacture and manipulation of explosives, including fireworks, wicks, and similar articles.

Work of demolition (as an independent business).

Operation of railroads (including electric), including all kinds of work except construction of tunnels.

Official service of bridges and causeways.

Construction of roads.

State railroads.

#### SIXTEENTH CLASS.

Wood carving establishments, with motors (not including work in yards).

Sawmills with circular saws for carpentry.

Tunnel construction.

Roofing.

Well digging; drilling for water.

Carpentry work; construction with scaffolds (as an independent business).

Tinning on buildings.

Erection, keeping in repair, and removal of lightning rods.

Diving and salvage work.

The scale of premiums, which remained the same as that of 1900, is as follows:

SCALE OF PREMIUMS OF 1903.

Risk class.	Premiums in per cent of wages.	Risk class.	Premiums in per cent of wages.
4	0.4	11	1.8
5	.6	12	2.0
6	.8	13	2.4
7	1.0	14	2.8
8	1.2	15	3.2
9	1.4	16	3.6
10	1.6		

According to the provisions of the law, the scale was again revised by royal order of June 30, 1906; but, as in the case of the former revision, only minor alterations were made in the classification of establishments, and no changes were made in the scale itself.

As a result of the measures taken in accordance with the law of December 23, 1899, the deficit gave place to a surplus, which amounted in 1900 to 13,792.06 crowns (\$3,696.27) and in 1905 to 415,128.35 crowns (\$111,254.40). These annual surpluses have been entered on the books as reserve fund and amounted at the close of 1905 to

1,136,438.45 crowns (\$304,565.50). Lest it may eventually be found that the income of the insurance institution is insufficient, it is the intention to build up the reserve fund until it shall amount to at least 10 per cent of the annuity fund.

#### INVESTMENT OF CAPITAL.

As to the investment of the insurance funds, it was provided by royal decree of February 24, 1902, that loans may be made only on first mortgages on real estate or on condition of communal guaranty with approval of the minister for commerce, navigation, and industry (formerly called minister of the interior) in each individual case. Not more than 75 per cent of the funds thus invested at any time may be invested in factories or other industrial establishments. In case of loans to the latter only those real values are to be taken into account which are independent of the industrial activity in question and the amount of the loan may not exceed this value or at most three-tenths of the total value of the security given. The valuation is made by confidential agents of the insurance institution especially appointed for the purpose. In the case of industrial loans provision is made for an amortization period of at most 25 years, with the right on each side of giving three months' notice for the amount remaining due. In the case of other loans the same term for giving notice is prescribed, but no provision is made for an amortization period. Of the funds invested at the close of 1905, which amounted altogether to 8,667,640 crowns (\$2,322,927.52), 6,060,440 crowns (\$1,624,197.92), or 69.9 per cent, were invested in industrial undertakings, and 2,607,200 crowns (\$698,729.60), or 30.1 per cent, in other securities. The rate of interest was  $4\frac{1}{2}$  per cent.

#### AMENDING LAW OF JUNE 12, 1906.

The system under which a person makes, in his own name, legal contracts with certain workmen and himself hires and pays them while at the same time he is only a dependent person employed in the industrial establishment by contract with the undertaker, plays an important rôle in modern industrial life. In such cases, according to the principle adopted in German practice, "the legal relation of the parties must here give place to the fundamental socio-political idea of the lawmaker, who, proceeding from the distinction between undertaker and paid workman, conceives the former only, and not the dependent middleman, as the responsible employer, even though under the civil law the middleman may be the only person having rights and obligations in relation to certain workmen." This principle the insurance institution attempted from the very beginning to establish as the governing rule in the application of the law; but its efforts were unsuccessful. In the many lawsuits which grew out

of this dispute the highest courts took a standpoint different from that of the insurance institution and recognized, on the basis of the legal relation of the parties, the small contractor as the employer in the sense of the law.

These decisions greatly embarrassed the insurance institution and defeated to a considerable extent the purpose of the insurance law, since in Norway, owing to the nature of its industries, the system of employing contractors plays a relatively important rôle.

In a communication of November 11, 1902, to the minister of commerce and industry, concerning these decisions, the insurance institution called attention to the significance which the above-mentioned expanded interpretation of the word "workmen" would have for the development of workmen's insurance and stated that the workmen employed in loading, unloading, wood floating, and building work would be especially affected. "In these large branches of industry the work is executed mainly by contractors, individuals, or groups, and of all these it is true that they are altogether incapable of assuming the obligations involved in accident insurance. Apart from the large proprietors, whose number is comparatively small, the great majority of those who gain their living in the industries mentioned are persons who, without technical preparation, either form associations for the execution of particular contracts or do the skilled work with the aid of day labor, they themselves taking part in the work. If an accident occurs the insurance institution must, in all cases in which an employer is concerned, render the compensation quite regardless of the payment of any premiums, or the associations may be regarded as 'workmen on their own account,' who are excluded from insurance. The domain which accident insurance naturally shall and must embrace has continually been circumscribed by the above-mentioned court decisions, and if the insurance institution is to carry out the principle to its logical consequences, it is to be feared that the outcome will be a succession of irresponsible contractors. The contract system is also found in other branches of industry, and it is already evident that the undertakers are beginning to understand that by assigning work by contract they can avoid the obligation of insurance. Of course the numerous skilled workmen are always connected with industry under such conditions that their identity as workmen can not be questioned, but workmen's insurance must also take account of the still more numerous class of unskilled workmen or day laborers, and if they are gradually to be excluded insurance loses in great measure its interest as public insurance." (a)

The accounts of the insurance institution give partial evidence of the condition of affairs in this connection. The amount of the pre-

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<sup>a</sup> Die Arbeiter-Versicherung im Auslande, Dr. Zacher, Heft IIIb, 1908, p. 26.

miums canceled, for example, in the years 1895 to 1904 was 142,384.09 crowns (\$38,158.94). Most of these premiums were due from small contractors, whose irresponsibility became evident as soon as the collection of the premiums was seriously undertaken, 70 to 80 per cent of the amount representing premiums due for persons engaged in the building trades and other seasonal work. If the indirect loss through the exemption of the associations, etc., is counted in, the total loss to the institution will be at least three times the above amount.

The failure of the Government to undertake at once the revision of the law, as demanded by the insurance institution, was due to the fact that it had in view a law concerning sickness and accident insurance which would make such revision unnecessary, and also to the fact that it was of the opinion that the insurance institution attached too great importance to the decision of the court. However, the Government called upon the insurance institution to prepare a project for such amendments in the above-mentioned matter as it might think absolutely necessary. Such a project was presented in 1903 and 1904, and on July 6, 1905, the Government proposed to the Storting a bill for an amending law, with the result that such a law was passed, and was approved by the Crown on June 12, 1906. The law went into effect on July 12, 1906.

The law provides that in the determination of who is to be designated as the employer, and therefore the one under obligation to take out insurance, not only the wording of the contract, but all the economic conditions of the contractor are to be taken into account. "The fact that the contractor himself hires and pays workmen is of itself not determinative. It shall rather be the rule that it is altogether immaterial as far as the obligation of insurance is concerned whether the workmen are hired and paid directly by the real proprietor of the business or through a middleman." Thus the German practice has been adopted. Furthermore, the undertaker or entrepreneur on whose account the work is executed is made jointly responsible with the contractor, if the obligation of insurance devolves upon the latter, for the payment of premiums and for the discharge of the obligations imposed by paragraph 9 of the law. This latter provision is noteworthy in that it involves a special application of the civil-law principle of joint responsibility. This application is made for socio-political reasons. It is not based on the legal relation established between the giver of the contract and the contract taker.

The law recognizes associations of workmen as subject to insurance only when they have a permanent organization (by-laws, their own administration, and their own accounting). All the members are insured.

Under the fundamental law of July 23, 1894, appeals from the decisions of the board of directors of the insurance institution could

be made: (1) To the minister concerned, in disputes as to whether an undertaking comes under the law; (2) to the competent court in disputes over the question of workman or employer; (3) to the commissioner of appeals concerning the listing of establishments in risk classes and concerning the determination of the degree of invalidity and of the corresponding compensation granted. This arrangement, which was unfavorable to uniformity in decisions, was altered by the law of June 12, 1906, which provides that in all cases of appeal the commission of appeals shall be competent, but with the reservation that in all cases which concern merely a valuation the decision of the commission is final; whereas, on the other hand, disputes which involve a question of law shall, after investigation by the commission, be brought before the competent courts for decision.

According to the law of 1894 decisions were made by the board of directors of the insurance institution. But this came to involve too heavy a burden for the board, and consequently in the preparation of the law of 1906 the words "the board of directors of the institution of insurance" were replaced in all the paragraphs which referred to the authority to make decisions by the words "the institution of insurance."

The law involved a change in the extent of insurance, in that establishments in which electric motors of not more than one-half horsepower are used are exempted from the obligation of insurance unless they come under the law for other reasons. The object of this change was to encourage the use of electric motors in the smaller establishments. The provision was made to apply to electric motors only, because their power can be determined without difficulty, which is not always true of other motors. The exemption is made by the insurance institution, with the approval of the competent factory inspector.

Under the law of 1894 foreigners had the same rights as natives, with the exception that survivors of a foreigner who were not living in the country at the time of the accident had no claim to compensation.

There is no provision for a suspension of the annuity while the foreigner is living outside of Norway, but the law provides that if a person entitled to compensation goes to a foreign country to live the board of directors of the insurance institution may, if it regards the unaltered payment of the annuity as involving financial risk for the institution, substitute for it a single payment of a sum determined according to circumstances. This sum shall, as a rule, not be less than three times the annual annuity. If such a person returns he receives no compensation until the sum paid out has been taken into account. The law of 1906 provides that the payment of the lump sum in settlement may be made without any special reason. It also discriminates between foreigners and natives in that for the



former the settlement must be final, whereas the natives, if they return with the intention of remaining permanently in Norway, enter again into the enjoyment of the pension.

The factory-inspection law of June 27, 1892, imposed upon the factory inspector the duty of controlling the prevention of accidents in industrial establishments. For this purpose all accidents resulting in invalidity of at least eight days' duration were to be reported by the proprietor of the business to the competent local inspector and by him investigated. No provision was made for regular inspection by the insurance institution. However, the insurance institution was authorized by the law of 1894 to cause establishments involving special danger of accidents to be investigated by the factory inspector, or by agents especially appointed for the purpose, and if the dangers alleged were found to exist, to issue the necessary instructions. If the danger could not be avoided, or if the measure taken for the purpose by the institution proved ineffective, the institution was authorized to list the establishment in a higher risk class or, if it was already in the highest class, to increase its premium to three times the original amount. But no use was made of this provision on account of the lack of inspectors. Indeed, the prevention of accidents is a field of social reform which has been greatly neglected in Norway. Very little has been done by the factory inspector up to the present time. It is an unfortunate circumstance that many of the establishments to which the accident-insurance law applies are not included under the factory-inspection law, which embraces only factories and establishments like factories, together with mines, etc. The King, however, has the right to issue corresponding preventive measures for establishments or branches of industry which involve special dangers, but up to the present time such orders have been issued only for book printing and match factories.

In 1896 the Storting decided to submit the factory law to a thorough revision, with the result that on August 25, 1905, the Government presented a project for the "preparation of a law concerning the inspection of the work in factories," and again on February 14, 1907, presented another project almost identical with the former. In the discussion of the bill the question of turning over the prevention of accidents to the insurance institution by a partial amalgamation of the two organs was considered, but with no result. The Government could not be persuaded of the advisability of such a measure, and was rather of the opinion that the two institutions, the inspection of factories and the insurance institution, have such different problems to solve that they should remain independent of each other. But the Government urged that they cooperate in the prevention of accidents, and for this purpose it was provided in the law of 1906 that the insurance institution, through

its inspectors, must immediately inform the competent local inspectors of all the accidents reported to it, and that the proprietor of the establishment must, as soon as possible, and at the latest within three days, report to the institution of insurance the accidents which occur in his establishments and which result in invalidity of more than three days' duration. If the establishment is not included under accident insurance the duty of making the announcement devolves upon the factory inspector. But this will seldom be the case, so that the organs of accident insurance are really solely responsible for providing the factory inspectors with the information on which they shall base their measures for the prevention of accidents.

The bill provides that factory inspection shall be extended to include more establishments than it does under the present law. This is a concession to the demands of the insurance institution.

The bill also includes provisions whereby employees are made responsible for assisting in the prevention of accidents. In the present law the responsibility is thrown entirely upon the employer. It is provided that the workmen shall be represented by one member in each local board of inspectors, and provision is also made for the establishment of a bureau of work under the minister concerned, which shall consist of seven members, namely—a lawyer as president, three employers, and three workmen.

#### INSURANCE OF SEAMEN.

As has already been noted, the Norwegian law requires shipowners to make definite provision for sick and injured seamen. But this continues for a comparatively short period, at most 12 weeks. This aid is supplemented by the work of several societies and institutions, most of which are very old and have for their object the support of needy seamen and their survivors. These societies fall into three groups:

(a) The five sea department societies established by royal order of April 27, 1811. These are under public control, and have to submit their accounts each year to the minister for the army and navy. They are founded exclusively on voluntary contributions, which have, however, become very slight in recent years, and in the case of some societies have long since ceased. At the close of 1897 their assets amounted to 158,723 crowns (\$42,538).

(b) Private support societies with officially approved by-laws. The rise of these societies dates back to the royal order of May 15, 1832, by which a commission was appointed to prepare the requisite provisions. The purpose of the societies is to render support to needy seamen and their survivors. Such support may also be given to non-members. Incomes are derived from voluntary contributions. On account of their uncertain nature, no definite pensions or support can

be promised in advance. Of these societies 14 still exist, with a total amount of assets at the close of 1897 of 236,499 crowns (\$63,382).

(c) Private-aid associations. Their number seems to be 13, with a total amount of assets at the end of 1897 of 294,683 crowns (\$78,975).

The contributions which go to make up the assets of these societies come mainly from seamen. It is true of all the societies that voluntary participation in them has largely fallen off, so that, for the most part, they can maintain their existence only by means of the interest on their accumulated capital.

Much more important are the endowments which have been made in the course of time for seamen in the form of legacies and foundations. Of these, 73 were in existence at the end of 1900, with a total capital of 51,080,200 crowns (\$13,689,494); but some of them have other objects than the granting of support to seamen.

But that all this does not go far to satisfy the needs is very evident if one considers the comparative magnitude of Norway's merchant marine. At the end of 1906 the number of vessels engaged in navigation was as follows:

NUMBER AND TONNAGE OF VESSELS AND NUMBER OF SEAMEN EMPLOYED. 1906.

[Source: Die Arbeiter-Versicherung im Auslande, Dr. Zacher, Heft IIIb, 1908, p. 32.]

Class of vessels.	Number of vessels.	Tonnage.	Number of seamen.
Steamships of 25 registered gross tons and over.....	1,534	1,227,293	21,694
Sailing vessels of 50 registered gross tons and over.....	1,840	755,048	13,793
Total.....	3,374	1,982,341	35,487

The population of Norway in 1906 was about 2,300,000; so that the number of seamen employed was about 1.5 per cent of the entire population.

Repeated attempts have been made by organizations of seamen to induce the Government to establish a system of seamen's insurance. As a result a royal order was issued on October 31, 1891, directing the minister of the interior to appoint a committee for the consideration of the measures to be taken for the introduction of sickness and accident insurance and a pension society for seamen, and also for the regulation of sanitary conditions on merchant vessels. On June 21, 1900, this committee submitted to the minister a project for a law concerning the insurance of seamen. This project included sickness, accident, invalidity, old-age, and death insurance. But nothing came of this project.

On July 19, 1907, the minister of commerce, navigation, and industry submitted to the parties interested a project for a law concerning the insurance of seamen against accidents. The minister's

reason for limiting his proposals to accident insurance was that, as special committees were already considering the questions of general insurance against sickness and invalidity, he did not regard it as timely to discuss these forms of insurance with special reference to seamen.

According to this project the insurance shall comprise the crews (including captains) of all decked Norwegian vessels engaged in: (1) Transportation to foreign countries, fishing or other hunting on the sea, without distinction of tonnage; (2) the coasting trade or in navigation on lakes and rivers, provided these ships have a registered gross tonnage of 30 tons or more; and (3) all men listed in the maritime register.

All the indemnities will be calculated according to the rules issued for the accident insurance of 1894.

All premiums shall be paid by the shipowners.

The insurance shall be administered by the Royal Institution of Workmen's Insurance, and the administration expenses shall be borne by the State.

#### **FISHERMEN'S INSURANCE.**

In the fishing industry, one of the most important industries of the Norwegian people, there occur every year a great many fatal accidents. So common are they that only the especially great disasters attract the attention of the outside world. Such a catastrophe occurred in October, 1899, when 136 fishermen perished at one fishing ground during a sudden storm. On this occasion the public contributed 800,000 crowns (\$214,400) to the relief of the survivors. After their needs had been provided for, there was left over a sum of 125,091.97 crowns (\$33,525) as a fund to be used later. But in the case of ordinary accidents there was, until recently, no special provision for the relief of the victims and their survivors except that afforded by the private aid societies, based on the voluntary contributions of members, and these could do so little that the poor relief had to be depended upon.

It is estimated that the persons engaged in fishing number about 90,000, of whom about 50,000 carry on fishing as their principal occupation and 40,000 as a subsidiary occupation. After the institution of industrial insurance in 1894, there was much agitation for the making of similar provision for fishermen. But many difficulties were in the way, especially the fact that only a minority of the fishermen were in the employ of owners of vessels, most of them being independently engaged in fishing, either individually or in parties. In 1907 the fishing fleet numbered as follows.

## NUMBER OF VESSELS OF EACH CLASS ENGAGED IN FISHING IN 1907.

[Source: Die Arbeiter-Versicherung im Auslande, Dr. Zacher, Heft IIIb, 1908, p. 34.]

Class of vessels.	Number of vessels.
Decked vessels under 40 feet in length.....	2,338
Decked vessels over 40 feet in length.....	1,398
Motor boats.....	647
Steamships.....	176

These vessels employed about 27,000 men. There were also more than 20,000 open boats, whose crews provided their own equipment and fished on shares.

If it is assumed that these decked vessels and steamships all belong to employing owners, so that collective insurance would be possible for the crews, there remain about 63,000 persons for whom individual insurance would be necessary. On account of the poor conditions of life of the fishing population, it was evident that the problem could not be solved by the fishermen themselves but only by the formation of a state organization. The first step in this direction was taken by the minister for commerce, navigation, and industry, who, June 29, 1905, called upon the Fishery Bureau to prepare a statement of the principles of insurance. As a result, memorials were collected by various associations and the competent authorities, and on the basis of these memorials, the director of the Fishery Bureau submitted a proposal for a law concerning accident insurance of fishermen.

On the basis of this proposal, but with considerable modifications, the Government prepared a measure which was presented to the Storting in February, 1908, and resulted in the law of August 8, 1908, concerning the insurance of fishermen against accidents. This law went into effect on January 1, 1909.

The details of the law are in general the same as those of the workmen's accident insurance law of 1894. The principal provisions of the law are as follows:

## PROVISIONS OF THE LAW OF AUGUST 8, 1908.

**INJURIES COMPENSATED.**—Compensation is paid in case of death or permanent disability resulting from an accident at sea while engaged in the occupations mentioned, while traveling on the land in the course of such employment, or while engaged in the preparation and sale of marine products. While such insured persons are on a marine voyage, but not engaged in their usual occupation, they are compensated only in case of death by drowning or accidents due to navigation.

**PERSONS INCLUDED.**—All persons living in Norway who are engaged in marine fishing or hunting of marine animals, or in the preparation and sale of marine products, either exclusively or in conjunction with

some other occupation, and all persons belonging to the crews of vessels so engaged, are included in the insurance.

**BURDEN OF PAYMENT.**—Each insured person pays an annual premium of 1.50 crowns (40.2 cents). The State appropriates annually from the receipts of harbor dues 60,000 crowns (\$16,080). At any time prior to January 1, 1914, should necessity arise, the King, with consent of the Storting, may increase the rate of dues for the balance of the period.

**COMPENSATION.**—In case of death resulting within one year from the time of the accident, a lump-sum payment of 800 crowns (\$214.40) is made, any disability compensation already paid being deducted from this amount.

This compensation is paid to (1) the surviving widow, if married before the accident causing death occurred, and if at the time of the accident the marriage relation was not interrupted; (2) the children of the deceased if supported by him; (3) the ascendants of the deceased if they establish their dependence; (4) other persons who may be able to furnish similar proof of dependence. The persons named have a right to the compensation in the order specified and the presence of one of the classes of claimants bars the claims of the others.

For total permanent disability a lump-sum payment of 800 crowns (\$214.40) is made. For partial permanent disability involving a loss of earning power of 20 per cent or over the compensation is determined by the degree of disability.

**VOLUNTARY INSURANCE.**—Any person included in the compulsory insurance may, by the payment of supplementary dues, provide for a higher rate of compensation. To secure a compensation of 1,200 crowns (\$321.60), the insured must pay, in addition to the dues already specified, 1.40 crowns (37.5 cents) annually, and to secure a compensation of 1,600 crowns (\$428.80), must pay supplementary dues of 2.80 crowns (75 cents) per year.

**OCCUPATIONAL ENUMERATION.**—On December 15 of each year an enumeration of all persons over 15 years of age engaged in the occupations included in the law shall be taken in each commune. This register may be corrected upon application of the interested persons, and any person belonging to the insured classes may, by the payment of the annual dues, be registered at any time during the year, but such insurance is for the balance of the year only.

**COLLECTION OF DUES.**—This list serves as a basis for the collection of dues. The commune is responsible to the State. The employer is responsible for the dues of persons employed by him, and he is authorized to deduct the dues from the wages of the employees. Dues not paid at the proper time may be collected in the same manner as communal taxes. The commune must pay to the insurance office interest at the rate of 5 per cent on all arrears of dues from the date



of their becoming due. Failure to collect dues does not invalidate the insurance.

**SECURITY OF PAYMENTS.**—The insurance system is administered by the Royal Insurance Institution and the compensation is guaranteed by the State.

**ADMINISTRATIVE EXPENSES.**—The expense of initiating the system is borne by the public treasury. The commune is permitted to withhold 5 per cent of all dues collected to cover the cost of enumeration, the collection of the dues, etc. The insurance office pays for the medical certificates necessary to establish the amount of the compensation. Medical expenses are paid by the injured person.

**RESERVE FUND.**—The excess of income over expenditures shall form a reserve fund upon which, should it be necessary, draft may be made for subsequent disbursements.

**RULES OF PROCEDURE, ETC.**—The proper Government department shall prescribe all the rules and regulations concerning method of procedure, administration, publication, and transmission of the enumeration, the collection and transfer of dues, disbursements, and all other necessary subjects. The compensation payable under this law shall not be assigned, attached, nor pledged. An appeal from the decision of the insurance office may be taken to the royal insurance commission within six weeks from the time of notification of such decision, and with certain restrictions may again be appealed to the regular courts.

### STATISTICS.

The following tables give the chief available statistics concerning accidents and accident insurance in Norway.

#### RESULTS OF ACCIDENTS, 1895 TO 1905.

[Source: Beretning No. 11 fra Riksforsikringsanstalten, 1906.]

Year.	Accidents reported.			Number of proved accidents resulting in—							
	Proved.	Not proved.	Total.	Death.			Disability of over 4 weeks.				Disability of under 4 weeks.
				Males.	Females.	Total.	Permanent disability.	Result uncertain.	Recovery or under 8½ per cent of disability.	Total.	
1895-6 (a)....	3,821	175	3,996	92	1	93	543	50	1,710	2,303	1,425
1897.....	2,870	200	3,070	78	1	79	426	53	1,257	1,736	1,055
1898.....	3,599	237	3,836	69	1	70	507	90	1,754	2,351	1,178
1899.....	3,793	226	4,019	84	2	86	536	95	1,735	2,366	1,341
1900.....	3,600	200	3,800	100	3	103	489	126	1,690	2,305	1,192
1901.....	3,454	190	3,644	92	.....	92	458	142	1,659	2,239	1,103
1902.....	3,279	180	3,459	78	4	82	404	160	1,613	2,177	1,020
1903.....	3,185	182	3,367	75	.....	75	411	185	1,611	2,207	993
1904.....	3,041	148	3,189	67	1	68	379	214	1,536	2,129	844
1905.....	3,034	151	3,185	83	1	84	343	221	1,480	2,044	906
Total.	33,676	1,889	35,565	818	14	832	4,496	1,336	16,045	21,877	10,967

a Data are for July 1, 1895, to December 31, 1896.

From the above table it is seen that of all the cases of accident reported from 1895 to 1905, 94.7 per cent were proved, and that of those proved 2.5 per cent were fatal cases; 13.4 per cent were cases of permanent disability; 47.6 per cent were cases of complete recovery, or with disability of less than  $8\frac{1}{2}$  per cent, and 32.6 per cent were cases of disability lasting less than four weeks.

The number of accidents, by days, by months, and by seasons, is shown in the table following:

NUMBER OF ACCIDENTS, BY DAYS, BY MONTHS, AND BY SEASONS, 1896 TO 1899.

[Source: Norges Officielle Statistik, femte Raekke, nr. 16, Ulykkesforsikringen, 1906, p. 202.]

BY DAYS.

Year.	Sunday.	Monday.	Tues- day.	Wednes- day.	Thurs- day.	Friday.	Satur- day.	Un- known.	Total.
1896.....	25	461	429	434	443	460	399	18	2,660
1897.....	29	501	505	473	456	499	402	10	2,875
1898.....	33	551	621	591	614	620	554	12	3,596
1899.....	29	646	626	662	592	645	571	19	3,790
Total.....	116	2,159	2,181	2,160	2,105	2,224	1,926	59	12,930

BY MONTHS.

Year.	Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Total.
1896.....	200	237	240	182	178	227	205	252	242	247	251	208	2,660
1897.....	240	238	255	172	214	257	245	226	261	249	278	240	2,875
1898.....	256	274	333	248	261	317	288	309	327	331	363	289	3,596
1899.....	308	342	317	291	335	336	347	314	298	306	321	275	3,790
Total.....	1,004	1,091	1,145	893	988	1,137	1,085	1,101	1,128	1,133	1,213	1,012	12,930

BY SEASONS.

Year.	Spring (Mar., Apr., May).	Summer (June, July, Aug.).	Autumn (Sept., Oct., Nov.).	Winter (Dec., Jan., Feb.).	Total.
1896.....	600	684	740	645	2,660
1897.....	641	728	788	718	2,875
1898.....	842	914	1,021	819	3,596
1899.....	943	997	925	925	3,790
Total.....	3,026	3,323	3,474	3,107	12,930

In so far as any conclusions can be drawn from statistics covering so few years, it seems that in Norway, as in other lands, Monday is the worst day for accidents. While the actual number on this day is not so high as on some other days, when account is taken of the fact that Monday is a holiday very often in certain occupations and consequently a large number of workers are not engaged in their regular occupations, relatively the record for this day is high. It will be noticed that among the months November holds the record for accidents, while April makes the best showing. Among the seasons autumn has the greatest number of accidents, while spring has the fewest.

The following table gives a summary of accident statistics from 1895 to 1899, inclusive:

NUMBER OF ESTABLISHMENTS, FULL-TIME WORKERS, AND ACCIDENTS, AND  
1895 TO

[Source: Die Arbeiter-Versicherung im Auslande, Dr. Zacher, Heft IIIb, 1908, pp. 38, 39.]

Industry.	Number of establishments at end of 1899.	Number of full-time workers.
<b>PRIVATE UNDERTAKINGS.</b>		
Railroads.....	5	3,278
Street railways (electric).....	3	1,003
Rafting .....	381	9,873
Wood and coal yards, retail.....	786	17,358
Wood and coal yards, wholesale.....	185	12,178
Loading and unloading.....	378	6,683
Harvesting and transporting of ice.....	192	2,968
Stone quarries, including cutting in the quarry.....	205	7,824
Mining of minerals and ores.....	123	8,907
Brickyards.....	167	10,600
Stone dressing (in yards and on buildings).....	50	1,998
Brickyards, including limekilns.....	7	1,192
Porcelain factories.....	1	1,112
Glass factories.....	8	3,696
Gold and silverware factories.....	14	1,711
Iron and steel foundries.....	27	3,551
Nail, screw, and rivet factories.....	9	4,147
Lock making (with motors).....	66	1,491
Metal ware factories, belt factories.....	17	1,055
Machine factories, machine workshops, shipyards.....	205	37,847
Wagon factories.....	2	1,265
Electric telegraphs, telephones, and lightning rods—manufacture and installation (with motors).....	5	1,594
Factories for making chemical products.....	18	1,315
Match factories.....	7	3,413
Woolen factories (spinning, weaving, dressing).....	55	8,198
Factories making cotton and half woolen goods (spinning, weaving, dressing).....	9	9,643
Factories making woolen, cotton, and half woolen goods.....	3	5,327
Hemp and jute spinning.....	26	1,823
Factories making knitted goods (without spinning).....	13	2,235
Cellulose, wood pulp, paper, and pasteboard factories.....	95	31,045
Leather manufacturing (dressing and dyeing, with and without tanneries).....	76	1,985
Sawmills.....	1,061	17,172
Planing mills.....	52	8,488
Sawmills and planing mills (in one establishment).....	127	10,484
Joiners' shops.....	15	3,915
Wooden ware factories (with motors).....	161	4,873
Corn mills.....	426	6,109
Bakeries and biscuit factories.....	266	4,988
Chocolate and confectionery factories.....	15	1,278
Preserving factories (with and without box making).....	29	4,019
Slaughterhouses, sausage factories.....	112	1,150
Dairies (butter and cheese factories).....	376	3,715
Margarine factories.....	20	1,290
Breweries (with and without malt houses).....	45	8,000
Mineral water factories.....	73	1,461
Condensing factories.....	4	1,140
Tobacco factories.....	45	5,729
Boot and shoe factories.....	23	2,489
Bookbinderies and lithographing shops.....	176	8,284
Masons' work.....	218	5,271
Carpentry and work on scaffolds.....	211	3,058
Painting.....	353	4,514
Laying of gas, water, and sewer pipes and installing heating plants.....	65	1,884
Building construction (mainly small buildings in the country and in small towns).....	871	15,756
<b>STATE UNDERTAKINGS.</b>		
Navy.....		4,739
Army.....		4,599
Harbor work.....		2,008
Building of streets and roads.....		6,714
Railroad construction.....		8,296
State telegraph and telephone.....		1,665
<b>Total.....</b>	<b>9,782</b>	<b>433,274</b>

\* This total is not the correct sum of the items; the figures are given as shown in the original report. The average premium rate for all industries was 1.37 per cent of the wages for 1895 and 1896, and 1.36 per cent for 1897 to 1899.

# CHAPTER VIII.—WORKMEN'S INSURANCE IN NORWAY. 2055

AMOUNT OF WAGES AND PREMIUMS, AND COST OF ACCIDENTS, BY INDUSTRIES, 1899.

[Source: Die Arbeiter-Versicherung im Auslande, Dr. Zacher, Heft IIb, 1908, pp. 38, 39.]

Number of accidents compensated.			Total.	Wages on which pre- miums were based.	Premiums.	Cost of accidents.	
On account of—						Total.	Per cent of wages.
Temporary disability.	Permanent disability.	Death.					
41	3	1	45	\$741,181	\$14,824	\$4,719	0.64
9	3	.....	12	250,124	1,821	3,287	1.31
159	33	28	220	2,170,962	32,000	29,621	1.36
190	50	8	248	3,552,903	37,710	31,995	.90
323	54	7	384	2,681,769	40,208	34,214	1.27
259	73	12	344	1,617,353	24,049	55,366	3.42
96	13	4	113	594,987	11,493	8,485	1.43
78	40	3	121	1,612,181	31,903	59,246	3.67
187	64	20	271	1,974,678	21,155	57,189	2.90
106	41	7	154	2,477,821	17,363	25,086	1.01
22	16	1	39	472,966	9,252	7,852	1.66
14	2	2	18	238,386	2,516	2,597	1.09
4	.....	.....	4	185,831	1,301	148	.08
10	4	.....	14	749,167	5,244	1,832	.24
8	1	1	10	363,810	1,806	328	.09
47	9	2	58	781,997	11,731	4,734	.61
22	8	.....	30	871,643	6,111	3,479	.40
30	9	.....	39	285,286	1,640	3,071	1.08
11	7	.....	18	221,314	1,409	3,343	1.51
779	238	20	1,027	8,406,034	123,566	126,446	1.50
13	8	1	22	322,350	4,836	4,609	1.43
10	4	.....	14	379,649	4,018	2,875	.76
19	8	.....	27	285,849	3,111	3,828	1.34
15	9	2	26	501,455	5,517	4,606	.92
52	22	2	76	1,149,800	8,053	10,761	.94
46	16	2	64	1,292,564	9,057	7,083	.55
30	14	.....	34	839,269	5,875	3,338	.40
9	4	.....	13	300,884	2,090	769	.26
10	1	.....	11	300,401	2,069	473	.16
550	167	25	742	6,605,959	91,787	101,665	1.54
15	7	.....	22	398,221	2,510	4,214	1.06
510	196	23	729	3,597,846	70,078	100,438	2.79
96	38	5	139	1,950,182	29,212	23,247	1.19
184	71	5	260	2,309,356	39,569	39,651	1.72
72	42	7	121	828,468	13,019	30,649	3.70
91	91	3	185	1,060,449	14,757	39,900	3.76
79	17	3	99	1,214,764	13,375	10,512	.87
21	8	.....	29	1,090,948	5,672	5,769	.53
7	6	.....	13	215,660	1,918	1,680	.78
31	14	.....	45	474,119	2,391	3,772	.80
22	4	1	27	234,554	1,646	2,261	.96
21	6	1	28	507,404	2,539	4,342	.86
6	2	1	9	268,965	1,345	1,478	.55
136	34	6	176	1,724,500	25,760	22,635	1.31
13	7	.....	20	276,335	1,382	3,291	1.19
7	5	.....	11	201,992	1,010	2,558	1.27
10	5	1	16	921,411	4,601	2,558	.28
13	8	.....	21	446,461	2,234	2,191	.49
33	10	2	45	1,758,080	8,696	5,332	.30
129	47	8	184	1,489,705	27,075	35,781	2.40
76	43	4	123	686,053	13,072	26,894	3.92
30	9	3	42	1,085,105	15,655	8,265	.76
17	7	3	27	464,230	3,216	3,664	.79
365	121	15	501	3,923,091	75,510	83,737	2.13
22	3	1	26	1,052,302	21,046	2,688	.26
45	15	1	61	1,036,758	20,735	10,312	.99
35	14	4	53	461,818	9,236	12,558	2.72
85	66	10	161	1,674,866	33,498	54,073	3.23
224	68	12	304	2,344,732	46,895	58,456	2.49
26	4	.....	30	385,625	7,713	2,908	.75
6,647	2,348	326	9,320	91,303,714	1,245,612	1,489,760	1.63

The following table gives the number of compensated accidents, with their causes, from 1895 to 1899:

NUMBER AND PER CENT OF COMPENSATED ACCIDENTS, BY CAUSES, 1895 TO 1899.

[Source: Norges Officielle Statistik, femte Raekke, nr. 16, Ulykkesforsikringen, 1906, pp. 16\*, 17\*.]

Cause of accident.	Accidents compensated.	
	Number.	Per cent.
Motors.....	36	0.4
Transmitters.....	178	1.9
Machine tools.....	1,773	19.0
Elevators, cranes, and other lifting machines.....	318	3.4
Boilers, steam pipes, and steam cookers (explosion, etc.).....	11	.1
Explosives.....	180	1.9
Combustible, hot, poisonous, or corroding substances, steam, etc.....	270	2.9
Slides (of sand, earth, stone, etc.).....	95	1.0
Collapsing, falling, or overturning of objects, scaffolds, etc.....	1,472	15.8
Wounds from spikes, pieces of metal, splinters, etc.....	894	9.6
Falls from ladders, stairs, into excavations, etc.....	1,963	21.3
Loading and unloading of ships and wagons, raising and transporting, removal of freestone.....	909	9.8
Accidents from horses, street railways, industrial railways, and transportation by water.....	410	4.4
Hand tools and utensils (hammers, axes, etc.).....	638	6.9
Other causes.....	153	1.6
Total.....	9,320	100.0

It will be seen that about one-fifth of the accidents are caused by machines. If one takes into consideration that various occupations are included in which machines are not used or in which they are used but little, the number seems proportionately large. The cause furnishing the largest number of accidents is falls from ladders, stairs, into excavations, etc.

The following table classifies the compensated accidents according to nature of injury and part injured:

NUMBER AND PER CENT OF COMPENSATED ACCIDENTS, BY NATURE OF INJURY AND BY PART INJURED, 1895 TO 1899.

[Source: Norges Officielle Statistik, femte Raekke, nr. 16, Ulykkesforsikringen, 1906, pp. 17\*, 18\*.]

NATURE OF INJURY.

	Accidents compensated.	
	Number.	Per cent.
Burns, scalds, burns by acids, and freezing.....	328	3.5
Dislocations, sprains, etc.....	504	5.4
Lacerations of the internal organs or tissues.....	223	2.4
Bruises, blows, and excoriations.....	3,150	33.8
Cuts, punctures, scratches, etc.....	2,793	30.0
Breaking of limbs.....	1,448	15.5
Ruptures.....	41	.4
Asphyxiation, drowning, etc.....	65	.7
Concussions.....	14	.2
Other causes or several causes combined.....	754	8.1
Total.....	9,320	100.0

NUMBER AND PER CENT OF COMPENSATED ACCIDENTS, BY NATURE OF INJURY  
AND BY PART INJURED, 1895 TO 1899—Concluded.

PART INJURED.

	Accidents compensated.	
	Number.	Per cent.
Head.....	933	10.0
Arms and hands, not including fingers.....	1,251	13.4
Fingers.....	2,506	26.9
Legs and feet.....	2,476	26.6
Breast.....	432	4.6
Abdomen.....	126	1.4
Backbone and medulla.....	179	1.9
Shoulder blade.....	197	2.1
Pelvis.....	124	1.3
Other parts or several parts of same kind.....	1,602	10.8
No particular whole part.....	94	1.0
Total.....	9,320	100.0

The table following shows the number, amount, and average of the different classes of pensions granted for injuries by the Royal Insurance Institution and the premium reserve at the close of each year:

NUMBER, AMOUNT, AND AVERAGE OF PENSIONS GRANTED FOR INJURIES BY THE  
ROYAL INSURANCE INSTITUTION, 1895 TO 1905.

[Source: Beretning No. 11 fra Riksforsikringsanstalten, 1906.]

Year.	Pensions to invalids.				Pensions to widows.				Pensions to children.			
	Num-ber.	Amt.	Aver-age.	Premium reserve at close of year.	Num-ber.	Amt.	Aver-age.	Pre-mium reserve at close of year.	Num-ber.	Amt.	Aver-age.	Pre-mium reserve at close of year.
1895-96 (a).....	593	\$24,046	\$40.47	\$265,025	55	\$2,044	\$37.25	\$32,677	119	\$2,921	\$24.66	\$20,836
1897.....	479	18,045	37.79	201,339	49	1,890	38.59	27,464	93	2,171	23.32	15,101
1898.....	597	21,462	35.91	243,201	40	1,681	42.08	25,826	88	2,471	28.14	13,914
1899.....	631	21,413	34.04	235,544	53	2,352	44.49	37,085	99	2,845	28.68	15,584
1900.....	615	22,647	36.72	241,878	52	2,323	44.76	35,787	111	3,539	31.89	23,799
1901.....	600	21,792	36.45	231,172	50	2,151	43.15	34,069	132	3,425	26.00	23,408
1902.....	564	20,229	35.91	207,129	41	1,629	39.66	25,704	125	3,329	26.53	22,100
1903.....	596	23,081	38.86	223,973	54	2,364	43.68	36,617	118	3,306	28.14	21,270
1904.....	593	21,301	35.91	207,996	47	2,151	45.83	33,503	106	2,994	28.14	19,605
1905.....	564	21,473	38.06	206,683	50	2,341	46.90	35,801	111	3,408	30.82	22,019
Total....	5,832	215,489	36.96	2,263,940	491	20,926	42.61	324,533	1,102	30,409	27.60	197,636

Year.	Pensions to ancestors.				Total pensions.			
	Number.	Amount.	Average.	Premium reserve at close of year.	Number.	Amount.	Average.	Premium reserve at close of year.
1895-96 (a) ...	14	\$386	\$27.60	\$4,973	781	\$29,397	\$37.52	\$323,511
1897.....	8	202	25.19	2,388	629	22,308	35.38	246,292
1898.....	7	232	35.23	3,436	732	25,846	35.38	286,377
1899.....	17	462	27.07	4,840	800	27,072	33.77	293,053
1900.....	13	449	34.57	4,401	791	28,958	36.72	305,865
1901.....	21	547	26.00	6,889	803	27,915	34.84	295,538
1902.....	12	324	27.07	3,955	742	25,511	34.30	258,888
1903.....	2	95	47.44	1,155	770	28,846	37.52	283,015
1904.....	5	120	24.12	1,143	751	26,566	35.38	262,247
1905.....	9	288	31.89	3,473	734	27,510	37.52	267,976
Total....	108	3,105	28.68	36,653	7,533	269,929	35.91	2,822,762

a Data are for July 1, 1895, to December 31, 1906.



The income and expenditures and the assets and liabilities of the Royal Insurance Institution are shown in the following two tables for the years 1899 to 1905.

The income of the institution from premiums amounted to \$320,376 from July 1, 1895, to December 31, 1896; in 1897 the amount of premiums received was \$258,515, and in 1898, \$285,518.

INCOME AND EXPENDITURES OF THE ROYAL INSURANCE INSTITUTION, 1899 TO 1905.

[Source: Die Arbeiter-Versicherung im Auslande, Dr. Zacher, Heft IIIb, 1908. Beretning No. 11 fra Riksforsikringsanstalten, 1906.]

INCOME.

Item.	1899.	1900.	1901.	1902.	1903.	1904.	1905.
Premiums.....	\$351,478	\$425,258	\$434,667	\$418,099	\$405,250	\$406,918	\$414,660
Interest.....	28,424	42,764	52,709	66,409	83,651	93,768	101,145
Carried over from former years:							
Burial dues.....	587	638	595	861	821	27	95
Annuities in arrears.....	16,454	10,520	2,632	8,708	6,428	7,417	10,155
Sickness dues.....	48,219	36,937	41,789	41,680	44,730	43,370	44,203
Annuity fund.....	821,385	1,088,616	1,357,979	1,600,502	1,780,262	1,987,064	2,157,117
Deficit:							
Current year.....	38,054	.....	.....	.....	.....	.....	.....
Former year.....	213,561	.....	.....	.....	.....	.....	.....
Total.....	1,518,162	1,604,733	1,890,371	2,136,259	2,321,142	2,538,564	2,727,375

EXPENDITURES.

Burial expenses:							
Paid during year.....	\$1,061	\$1,411	\$979	\$1,162	\$946	\$886	\$1,071
Carried over.....	638	595	861	821	27	94	144
Annuities:							
Paid during year.....	83,104	106,962	116,582	144,603	159,104	176,291	193,788
Carried over.....	10,520	2,632	8,708	6,428	7,416	10,155	10,252
Care of sick:							
Paid during year.....	82,051	80,132	76,604	72,556	77,658	74,814	71,287
Carried over.....	36,936	41,788	41,680	44,730	43,370	44,203	44,843
Lump-sum payments:							
To widows who remarry....	275	590	481	831	852	883	392
To persons leaving Norway.	907	2,143	2,507	3,731	4,648	2,783	5,704
Travel benefits.....	493	649	94	474	160	211	191
Annuity funds at end of year...	1,088,616	1,357,979	1,600,502	1,780,262	1,987,064	2,157,117	2,285,705
Premiums uncollectible:							
For current year.....	.....	1,516	2,440	7,736	7,247	2,132	1,666
For past year.....	.....	4,640	5,959	9,880	6,880	1,169	1,078
Deficit for former years.....	213,561	.....	.....	.....	.....	.....	.....
Surplus.....	.....	3,696	32,974	63,045	25,770	67,826	111,254
Total.....	1,518,162	1,604,733	1,890,371	2,136,259	2,321,142	2,538,564	2,727,375

CHAPTER VIII.—WORKMEN'S INSURANCE IN NORWAY. 2059

ASSETS AND LIABILITIES OF THE ROYAL INSURANCE INSTITUTION, 1899 TO 1905.

[Source: Die Arbeiter-Versicherung im Auslande, Dr. Zacher, Heft IIIb, 1908. Beretning No. 11 fra Riksforsikringsanstalten, 1906.]

ASSETS.

Item.	1899.	1900.	1901.	1902.	1903.	1904.	1905.
Mortgages.....	\$683,601	\$918,637	\$1,098,130	\$1,362,686	\$1,705,833	\$2,052,049	\$2,322,928
Premiums due.....	200,594	342,148	295,719	177,698	112,455	101,196	92,000
Interest due.....	12,661	16,948	20,746	25,760	27,222	31,400	37,482
Temporary loans on pledge.....	587	1,706	1,195	1,532	957	647	626
Pledges taken over on temporary loans.....						1,553	3,803
Deposits in banks.....	88,261	69,775	173,755	270,836	245,182	148,010	116,596
Current accounts with inspectors	22,897	10,454	47,190	41,190	26,654	24,370	29,807
Advances for administration....	8,720	2,718	4,127	2,580	280	1,209	.....
Cash on hand.....	1,775	809	958	883	609	277	108
Deficit due from state treasury..	117,615	44,496	46,602	48,791	44,170	44,170	42,471
Total.....	1,136,711	1,406,691	1,688,422	1,931,956	2,163,362	2,404,881	2,645,821

LIABILITIES.

Balance on hand from state treasury for administration expenses.....							\$311
Balance from burial dues.....	\$638	\$595	\$861	\$821	\$27	\$95	144
Balance from pension fund.....	10,520	2,632	8,709	6,427	7,416	10,155	10,252
Balance from sick fund.....	36,937	41,789	41,680	44,730	43,370	44,203	44,843
Annuity fund (premium reserve).....	1,068,616	1,357,979	1,600,502	1,780,262	1,987,064	2,157,117	2,285,705
Reserve fund.....		3,696	36,670	99,716	125,485	193,311	304,566
Total.....	1,136,711	1,406,691	1,688,422	1,931,956	2,163,362	2,404,881	2,645,821

The following table gives the expenses of administration of the Royal Insurance Institution in percentages of the income from premiums:

COST OF ADMINISTRATION OF THE ROYAL INSURANCE INSTITUTION, 1895 TO 1906.

[Source: Beretning No. 11 fra Riksforsikringsanstalten, 1906.]

Year.	Net amount of premiums entered on the books.	Cost of administration.			Gross premiums (net premiums plus cost of administration).	Administration costs in per cent of gross premiums.
		At main office.	At inspector's offices (including communal grants).	Total.		
1895-96(a).....	\$299,021	\$27,324	\$20,787	\$48,111	\$347,132	13.9
1897.....	223,755	19,707	16,328	36,035	259,790	13.9
1898.....	243,459	22,188	16,817	39,005	282,464	13.8
1899.....	292,867	26,060	17,725	43,785	336,652	13.0
1900.....	318,429	31,871	21,807	53,678	372,107	14.4
1901.....	535,094	40,487	20,987	61,474	596,568	10.3
1902.....	500,774	40,678	20,575	61,253	562,026	10.9
1903.....	418,801	35,998	24,539	60,537	479,339	12.6
1904.....	399,219	32,929	25,257	58,186	457,405	12.7
1905.....	421,801	32,095	25,011	57,106	478,907	11.9
1906.....	426,448	29,873	24,812	54,685	481,133	11.4
Total.....	4,079,668	339,210	234,645	573,855	4,653,523	12.3

a Data are for July 1, 1895, to December 31, 1896.

SICKNESS INSURANCE.

HISTORY.

According to the report of the commission which was appointed in 1885 for the study of workmen's insurance, sickness insurance in Norway, which has a population approximating that of Denmark, was much less developed than in this latter country or in Sweden. In 1885 there were between 220 and 230 sickness and burial societies, 187 of which had 31,464 members; about one-fifth of all the members lived in Christiania; nearly one-sixth were women and girls; and of the industrial workmen, about 50,000 in number, only part belonged to sickness societies. The following table gives statistics for 175 of these societies.

NUMBER OF SICKNESS AND BURIAL SOCIETIES, NUMBER OF MEMBERS, DAYS OF SICKNESS, AND CASES OF DEATH, AND AMOUNT OF INCOME AND EXPENDITURE PER MEMBER, 1885.

[Source: Die Arbeiter-Versicherung im Auslande, Dr. Zacher, Heft III, 1898, p. 65.]

Society.	Number of societies.	Number of members.			Days of sickness.	Cases of death.
		Male.	Female.	Total.		
Sickness and burial combined..	69	11,771	1,826	13,597	47,120	390
Sickness only .....	93	8,672	1,916	10,588	47,392	172
Burial only .....	13	2,284	494	2,778	.....	92
Total.....	175	22,727	4,236	26,963	94,512	674

Society.	Income per member.			Expenditure per member.						As-sets per mem-ber.
	Dues.	Other.	Total.	For pecu-niary aid.	For medi-cine.	For phys-ician.	For burial aid.	Other.	Total.	
Sickness and burial combined..	\$3.01	\$0.50	\$3.51	\$0.78	\$1.02	\$0.88	\$0.37	\$0.31	\$3.36	\$4.56
Sickness only .....	1.83	.58	2.41	1.06	.18	.37	.20	.24	2.04	7.77
Burial only .....	1.77	.47	2.24	.....	.....	.....	1.07	.21	1.28	12.33

\* The total is not the correct sum of the items; the figures are given as found in the original report.

Since, according to the census of 1875, the number of persons needing insurance was 370,000, while the total number of sickness society members was only 37,000, and since, furthermore, the services rendered by these societies were totally insufficient, the majority of the commission—in opposition to the minority, which favored the development of the voluntary sickness societies through state grants and legal regulation—believed that the only thorough and quick remedy possible was the introduction of compulsory insurance. To this end, the commission submitted a proposal of a law providing for the establishment of a national sickness society.

After the proposal had been communicated to the committee of the central trades-union, and by it to the individual unions, there

was presented to the Storting, March 25, 1893, a government bill which was based in all essentials on the plan of the commission.

The Storting put off the consideration of the project and at its next session (1894) entered upon the consideration of accident insurance, contrary to the wishes of the Government, which regarded the regulation of sickness insurance, to which the less severe accident cases were to be turned over, as prerequisite to the carrying through of accident insurance. But the sickness insurance bill was postponed, and the same thing happened again when it was again proposed in the session of 1895.

Meantime the accident insurance law of July 23, 1894, had gone into effect, and through its provision that the entire expense of the care of the sick during the first four weeks should be borne by the employer had caused considerable hardship, especially to the proprietors of the smaller establishments, some of whom had been forced to suspend business; the organization of sickness insurance seemed to be more needed than ever. In November, 1895, the Government called upon the Royal Institution of Insurance and the parliamentary commission established in 1894 to continue the uncompleted work of the commission of 1885 concerning invalidity and old-age insurance for an opinion on the subject. The commission replied, in December, 1895, that it could not give such an opinion because it had not yet finished its work, but declared it inadvisable for the lawmaking powers to anticipate it, since it was considering the entire question of invalidity insurance, of which sickness insurance formed an integral part. But the board of directors of the institution of insurance expressed themselves as in favor of a speedy regulation of the matter, on account of the inconvenience which the lack of sickness insurance had caused them in the administration of accident insurance. It was declared especially desirable that the two forms of insurance should apply as far as possible to the same classes. It was also recommended that the minimum services to be rendered by a society should include not only pecuniary aid but also, as in Germany and Austria, medical attendance and medicine; that apprentices, unpaid workmen, etc., who, on account of not having completed their training, are drawing either no pay or less than the usual wage, be put on an equality with paid workmen subject to insurance; that the year's work or the average day's wage be reckoned on the same principle for both branches of insurance, and that the amount of the latter should never be fixed at less than 1 crown (26.8 cents), and finally, that the premium rate should, especially in case of the extension of the service to include free medical attendance and medicine, be determined periodically by the Storting, at the King's suggestion, instead of being fixed by the law.

The Government assented to all these suggestions and accordingly, on May 2, 1896, sent to the Storting an altered bill providing for a speedy settlement of the matter. The Odelsting referred the proposal to a committee, which, on July 3, made a full report. Influenced by the proceedings of the International Workmen's Insurance Congresses, held at Berne in 1891 and at Milan in 1894, the committee rejected the idea of combining sickness insurance (dealing with temporary cases only) with invalidity insurance (concerned with permanent cases) and left untouched the foundations of the bill, but suggested numerous alterations.

The bill received no further consideration in the session of 1896, and when presented in 1897 was postponed again, principally on account of the wish of the parliamentary commission, which feared interference with its own more extensive plan for the introduction of workmen's insurance.

This commission made its report to the Storting on December 2, 1899, in the form of two bills, one from the majority, for a law concerning invalidity and old-age insurance for the Norwegian people and another from the minority, for a provisional law concerning sickness insurance, old-age and invalidity insurance, and accident insurance.

In the spring of 1900 the minister of the interior intrusted to a committee of specialists the examination of the majority project. The committee's report, dated July 15, 1902, indicated in no uncertain language what the committee regarded as the shortcomings of the bill, namely, the lack of a sufficient statistical basis; utter inadequacy of the financial estimates; the necessity, in order to give the insurance its proper character, of limiting it to that part of the population capable of paying the corresponding dues; the failure to provide for invalidity insurance and old-age insurance together; the failure to adopt the system of premiums for invalidity insurance, to make 18 years the age at which insurance should begin, and to make the waiting period four years instead of one.

Meantime, on June 5, 1900, a second parliamentary workmen's commission, in which most of the members of the first commission were included, was appointed and intrusted with the duty of preparing a plan for a law concerning sickness and accident insurance and of making the necessary revision in the existing accident insurance law, all with reference to a prospective law concerning invalidity and old-age insurance. This latter requirement added greatly to the difficulty of the commission's work and had a disastrous effect on its results.

On March 21, 1902, the commission presented a proposal for a law concerning sickness and accident insurance, which was then submitted by the Government to various bodies for approval. These nearly all

agreed in the opinion, from the point of view of organization and that of technique as well, that the provisions were too detailed and too complicated to be administered successfully. It was also feared that the cost of administration, of which no estimate accompanied the bill, would be too great. On account of these misgivings, and also because the bill for a law concerning old age and invalidity insurance did not meet with approval, the Government refrained from carrying the project further.

For several years after the rejection of the project of 1902 no further steps were taken toward the organization of insurance against sickness, invalidity, and old age, although the demand for such insurance was constantly growing. In February, 1907, the Storting decided that a committee should be appointed to settle finally the question of insurance against invalidity and old age in such a way as to embrace the entire population and at the same time provide for progressive development on the basis of the division into classes according to age rather than on the division into groups according to social condition, income, or wages, or on a distinction between work on one's own account and work for another person. Such a committee, consisting of six members, was appointed on February 26, 1907, by the minister of commerce, navigation, and industry. This committee was expected to make its report some time during the year 1909.

It was the general conviction that steps should at once be taken to organize sickness insurance. Consequently, the following resolution was passed by the Storting on May 7, 1907: "The Government is requested to present to the next Storting a plan for insurance against sickness, based on obligatory insurance for all workmen and employees who work for wages in public or private service and whose wages do not exceed the maximum limit to be fixed exactly by the law. The expenses of the insurance shall be paid by the insured persons, aided with grants from the State. Whether and to what extent the communes and employers are to be required to contribute is to be taken into consideration in the framing of the bill. On June 8 following, a committee of three, later four, members, was appointed by the minister of commerce, navigation, and industry to carry out this programme and also to make any necessary changes in the existing accident insurance law. The committee made its report on May 6, 1908. This report included three plans: (1) For a law concerning insurance against sickness; (2) for a law amending the law of July 23, 1894, concerning insurance against accidents; and (3) for a law concerning the establishment of a general state office of social insurance.

The Government, after carefully considering the plan for insurance against sickness, sent to the Storting on February 27, 1909, a royal bill for sickness insurance. On the same date it submitted a second



proposition relative to amending the accident insurance law of July 23, 1894, and for establishing a general state office of social insurance.

The bill was referred to the social committee of the Storting, which, after careful consideration, made its report on May 26, 1909. The main provisions of the measure were unaltered. The minor changes were in favor of greater liberality toward those insured. The committee also simplified the Government's plan of administration, which it considered too complex.

The bill thus amended by the committee was passed, with slight alterations, by both houses and received royal sanction September 18, 1909.

The main provisions of the law are as follows:

#### PROVISIONS OF THE LAW OF SEPTEMBER 18, 1909.

Persons subject to insurance under this law are wage-workers employed in Norway and officials in public and private service, provided they are at least 15 years old and that the work or service does not, by its nature or in accordance with an agreement, continue for less than six days. Obligatory insurance begins with the beginning of the work or service.

The following are exempted: (a) Anyone who, either alone or together with a husband or wife who is not subject to insurance, has an annual income of more than 1,200 crowns (\$321.60) in the country, or 1,400 crowns (\$375.20) in a city, or who is insured of full pay for at least three months in case of sickness; (b) anyone suffering from chronic or other weaknesses or defects such as will necessitate either constant or intermittent treatment; (c) anyone who is insured in some way, other than that prescribed in this law, of aid in sickness under conditions at least as favorable; (d) anyone who is employed on a ship in foreign navigation, unless this is limited to travel along a regular route and the round trip from a Norwegian port, according to the published schedule, will not last for more than ten days; (e) anyone who is insured under a foreign law of aid in sickness during his employment in Norway.

Wage-workers in the sense of this law are workmen who are paid wholly or partly in money. Among wage-workers there are included peasant farmers and servants who work for money wages.

Persons who have not completed their training, such as apprentices and voluntary workmen, are put on the same footing as wage-workers. A person who is sent by his employer to a foreign country, or who visits a foreign country with his employer's permission, is still subject to insurance unless he is absent from Norway for more than three months.

A person subject to insurance is regarded as a member of the local sickness society concerned from the day on which he becomes subject

to insurance, whether the prescribed notice has been given or not, unless he has already discharged his obligation in another manner or is awaiting his examination by a physician.

If a person compulsorily insured in a local sickness society becomes unemployed from causes for which he is not responsible he continues to be a member of the society for 14 days without paying premiums, provided that he has been a member of the society continuously at least during the past six months. If he again obtains employment which involves the obligation of insurance he shall pay premiums from that week, inclusive, in which he again becomes employed.

Persons subject to insurance under this law shall be insured either in the public local sickness society concerned or in a private or communal sickness society recognized under this law.

Every employer shall, within one week, give notice to the local sickness society for the district to which the place of work belongs whenever a person by entering his employment becomes subject to insurance, unless he knows that the obligation of insurance has been discharged in some other way. In the case of seamen the home port is regarded as the place of work. In the case of persons included under the industrial accident insurance law, that person is to be regarded as the employer who is so regarded under that law. The employer shall likewise give notice to the sickness society concerned when an insured person leaves his employment; and he shall report every half year any changes in an insured person's income or conditions of work which involve his transfer to another income or risk class.

Every person who is at least 15 years old and is not subject to insurance has a right to become a voluntary member of the local sickness society at his place of residence or of work, on the following conditions: He must, as a rule, be not more than 40 years of age; his or her annual income, together with that of the wife or husband, must not exceed 800 crowns (\$214.40) in the country or 1,000 crowns (\$268) in a city, nor must their joint property exceed 7,000 crowns (\$1,876) in the country or 10,000 crowns (\$2,680) in the city; he must present a physician's certificate of good health; he receives no aid on account of sickness which occurs before he has been a member of a society for at least 12 consecutive weeks, unless the voluntary insurance is a direct continuation of obligatory insurance; he must pay his premiums for four weeks in advance. Exception may be made from the provision concerning the age limit in the following cases: (a) That of a person who has been compulsorily insured but whose obligation of insurance has ceased, if he petitions within five days to become a voluntary member; but his age must not exceed 50 years, plus one-half month for every full month of obligatory or voluntary membership in a local sickness society or an approved sickness society before

the age of 50 years; if the obligation of insurance ceases on account of undeserved unemployment he shall, on the above-mentioned condition, regardless of his age, income, or ability to produce a certificate of good health, be entitled to remain in the society as a voluntary member for six months, provided that he has been a member of the local sickness society for at least a half year immediately preceding; (b) that of a person who has formerly been a voluntary member, provided that in addition to the usual advance premiums he pays back premiums from the age of 40 years. A voluntary member is under obligation to report once a year to the local sickness society concerning his income and property. If he fails to do this or gives incorrect information, he ceases to be a member.

If a voluntary member becomes subject to insurance, he at once becomes a compulsorily insured member of the local sickness society in the circumscription of which he works. A voluntary member ceases to be insured if he withdraws, if he fails to pay his premium within one month after it falls due, or if his income or property comes to exceed the prescribed maximum. In the case of sickness during the first month after the premium falls due, the amount of the unpaid premium is deducted from that of the pecuniary aid. If undeserved unemployment has been the cause of the nonpayment of the premium, in due time the directors of the society may grant an extension of time for one month.

INCOME CLASSES.

Every person who, compulsorily or voluntarily, is a member of a local sickness society is to be assigned by the board of directors to the income class to which he belongs, according to the following table, and to the proper risk class:

INCOME CLASSES OF MEMBERS OF LOCAL SICKNESS SOCIETIES.

[Source: Die Arbeiter-Versicherung im Auslande, Dr. Zacher, Heft IIIb, 1908, p. 26\*.]

Class.	Income.	
	Yearly.	Daily.
1.....	\$80.40 and under.....	26.8 cents and under.
2.....	Over \$80.40 to \$160.80.....	Over 26.8 cents to 53.6 cents.
3.....	Over \$160.80 to \$241.20.....	Over 53.6 cents to 80.4 cents.
4.....	Over \$241.20 to \$375.20.....	Over 80.4 cents to \$1.25.

A transfer from one risk class to another may, provided the person concerned remains in the service of the same employer, be made only semiannually.

Persons subject to insurance who receive no wages, and voluntarily insured persons who have no income, are assigned to the first income class. On proposal of the Royal Institution of Insurance or of a local sickness society, the government department concerned

may decree that entire classes of workmen in certain regions or in the whole Kingdom shall be assigned to a particular income class regardless of their individual incomes. The daily income is estimated as one three-hundredths of the annual, one twenty-fifth of the monthly, and one-sixth of the weekly income. In the lack of sufficient information the size of the income is fixed according to the judgment of the directors of the sickness societies. Wages or income in the sense of this law shall include all compensation which the person concerned receives in payment for work or service rendered, regardless of whether the payment is made by a third person or not. If the wages consist, wholly or partly, in other than money payments their value in money shall be estimated according to the average current local prices.

Pecuniary aid and premiums are to be reckoned in proportion to the average daily wage, which is estimated for the different income classes as follows:

First income class .....	1.00 crown (26.8 cents.).
Second income class .....	1.50 crowns (40.2 cents.).
Third income class .....	2.50 crowns (67 cents.).
Fourth income class .....	3.50 crowns (93.8 cents.).

#### BENEFITS.

The local sickness societies shall render the following aid: To a member himself (a) free medical attendance and the first supply of such accessories as eyeglasses, trusses, etc., and, when surgical treatment is required, bandages and the medicaments required for such treatment according to the physician's order; (b) in case of sickness due to injuries coming under the accident insurance law, free medicine; (c) in case of invalidity, pecuniary aid equal to 60 per cent of the average daily wages in the income class in question; but the pecuniary aid, together with any payment the person concerned receives for work during his sickness, or with any pecuniary aid he may receive from private sickness insurance, shall not amount to more than 90 per cent of his actual income at the beginning of his sickness. For persons who work for no wages and voluntarily insured persons who have no income the total pecuniary aid shall not amount to more than 60 öre (16 cents) per day; (d) in the case of confinement, pecuniary aid for six weeks and, if necessary, physician's attendance. These grants are made on condition that the woman has been a member of a public or recognized private or communal sickness society for at least 10 consecutive months immediately preceding. If sickness results, the usual sickness aid shall be given in place of the confinement aid; (e) burial aid equal to 25 times the average daily wages in the income class concerned, but not more than 50 crowns (\$13.40). To the wife or husband of the

member for whom he or she provides, and to children under 15 years living at home, free medical attendance only.

In place of the usual grants mentioned above, care in a hospital or asylum may, by the advice of the physician, be given; in case of an industrial accident, the Royal Institution of Insurance may, in accordance with the industrial insurance law, require that this be done.

During a person's care in a hospital no pecuniary aid is paid him, but if he has relatives dependent on him they shall be given pecuniary aid equal to 20 per cent of the average daily wages if there is only one dependent, 35 per cent if there are two, and 50 per cent if there are three or more.

Pecuniary aid is paid for six days in the week while the person is incapacitated for work, but not for the first three days of sickness and not to exceed 26 weeks in any one case of sickness. A recurrence of the same sickness within a year is regarded as a continuation of the first case, and pecuniary aid shall not be given for more than 26 weeks altogether. If a member has thus received pecuniary aid for 26 weeks he shall not receive pecuniary aid for more than 13 weeks for new attacks of the same sickness during the following year; but if no such attack occurs during this year a subsequent attack is to be regarded as a new case and treated accordingly. If for the same case of sickness a member has received aid in the same society or in several societies for 39 weeks altogether for the same sickness, in accordance with the foregoing provisions, he shall receive no more aid for this sickness until two years have expired and he has been, during this whole time, free from the sickness in question. Every day in the hospital is counted as one day of pecuniary aid.

In the case of sickness due to an industrial accident, the local sickness society is not required to give aid for more than four weeks, but the Royal Institution of Insurance may require that it shall continue the aid after this time with the assurance of reimbursement by the royal institution from the funds of accident insurance. In the case of an injured person who did not have sickness insurance at the time of the accident and is not assured of full wages for three months the Royal Institution of Insurance may require that the local society shall care for such person, on the above-mentioned conditions.

If a workman, while temporarily employed in a foreign country, is entitled to aid under this law his employer is under obligation to render the aid himself, but he shall be reimbursed by the local society. While a servant is receiving care in sickness in the home of his master the latter receives the pecuniary aid due the servant under the law. The master shall give such care for four weeks unless the sick person can, with the approval of a physician, be put into a hospital.

## AID TO SEAMEN.

When a sick seaman receives care on board ship or in a hospital, seamen's home or other similar institution in a foreign port, the local society to which the seaman belongs discharges its obligations, not to him, but to the one on whose account the care is given.

If a member of a sickness society becomes sick during temporary residence in the circumscription of another society, the former may require the latter to render the sickness aid, but shall afterwards repay the expenses incurred.

## NOTICES.

The law requires that members who fall sick or are confined shall promptly send the society notice of the fact together with the information required. The same rule holds true in case of the death of a member. If a member of a local sickness society has been injured in an industrial accident, the Royal Institution of Insurance shall, as soon as possible, inform the local sickness society whether the injury is recognized as involving a claim under the law, whether the victim has a right to free medicine, and whether, if he requires care after the first four weeks, the society is to continue to give it on the royal institution's account. In the same way the Royal Institution of Insurance is to send notice to the local society concerned, if a person who is not a member of any sickness society meets with an industrial accident, as to whether the person injured is to be cared for by the society.

## INCOME AND FUNDS OF THE LOCAL SICKNESS SOCIETIES.

To meet its expenses a local society has a right to require the payment of premiums according to the scale in force for the society at the time. In case the society has no fixed scale a model scale, to be drawn by the government department concerned, applies. In this connection it is presumed that the premiums cover the expenses of the societies.

The scales shall contain special premiums for the different income classes and account shall also be taken of the different degrees of risk in the different industries. To this end the members may be distributed among different risk classes, the number of which shall not exceed four.

The premiums are always reckoned for the whole calendar week (6 working days), no matter on what day in the week the obligation of insurance begins or ceases or voluntary insurance goes into effect.

Premiums are to be paid as follows: In the case of a compulsorily insured member, six-tenths by the member, one-tenth by his employer, one-tenth by the commune, and two-tenths by the State:



in the case of a voluntary member, seven-tenths by the member, one-tenth by the commune, and two-tenths by the State.

The employer of a workman compulsorily insured shall pay his own share and that of the workman weekly; and if the workman receives wages his share shall be deducted from them. If a member is employed by several different employers, in work which involves the obligation of insurance, each of the employers is responsible for the entire premium, but the insured workmen shall select one of his employers to make the payments to the local sickness society. Disputes among employers in this connection are settled by the directors of the society.

At the end of each half year the commune pays its share of the premiums to the society concerned, and the society notifies the Royal Institution of the amount of the State's share, whereupon the institution draws the amount from the state treasury and, after deducting a certain fraction to add to an adjustment fund for sickness insurance, sends the rest to the sickness society concerned. The Royal Institution of Insurance decides for three years at a time how large a fraction of the amount shall be set aside for the adjustment fund; but it must never be more than one-fourth.

If a local society has a surplus this shall be set aside as a reserve fund. If the reserve fund amounts, in the course of five years, to the average annual income from premiums during the last three years, it may, on proposal of the directors of the society, reduce all or part of the rates in the scale.

In case of a deficit which can not be covered from the reserve fund of the society a temporary loan may be secured from the adjustment fund. If the royal institution deems best the loan may not be repaid; but the society must take steps to provide a larger income.

The business manager is paid a certain per cent, but not more than 5 per cent, of the amount of premiums collected.

#### ORGANIZATION AND ADMINISTRATION.

One public sickness society, at least, shall be established in every commune. The central administrative authority is the Royal Institution of Insurance. Besides administering the law as a whole, the institution endeavors, by means of the adjustment fund, to equalize the risks among the various societies. The expenses of the royal institution in administering this law are borne by the State.

Only persons (men or women) who pay premiums for their own insurance are counted as members of the local sickness society. Members who are not under 21 years of age are entitled to vote and hold office in the society. Employers who are under obligation to contribute to the sickness society and who are not under 21 years of age are entitled to vote and to hold office.

The affairs of the local society are managed by a board of directors consisting of nine members chosen for three years. Five of the directors are chosen by and from among the voting members of the society, two by and from among the voting employers, and two by the communal authorities.

With the exception, in some cases, of the president of the board of directors, the officers of the society receive no compensation. The board of directors meet at least once a year. The duties of the board of directors are to propose by-laws and amendments thereto, to forward the accounts to the communal authorities, to arrange salaries for all paid officials, to make contracts with physicians, hospitals, apothecaries, etc., and hear complaints, and, in general, to conduct the affairs of the society and administer its funds, and, through the president, to represent the society in all legal proceedings.

The voting members of the society and the voting employers are summoned to a general meeting at least once a year; but it may be provided in the by-laws that a committee be elected by and from among the voting members and the voting employers to take the place of the general meeting. Two-thirds of the committee shall represent the former and one-third the latter.

The general meeting (or the committee) shall have submitted for its approval the proposals of the board of directors concerning by-laws and amendments thereto, shall decide questions as to the responsibility of officials or directors of the society, take action concerning the affairs of the society, approve contracts made by the board of directors, and advise the board of directors when occasion demands. The communal authorities appoint the business manager, on proposal of the local sickness society's directors, and two auditors, to audit the accounts of the society. The commune is responsible for the accounts collected by the business manager.

Private or communal sickness societies may take the place of public local sickness societies, if they are recognized by the Royal Institution of Insurance. In order that recognition may be obtained, the by-laws of the society shall provide that the funds of the society may be used only to provide the aid indicated in the by-laws and shall be administered in a way acceptable to the Royal Institution of Insurance; that the accounts shall be kept separate from those of other activities of the association; that the grants made by the society shall not be less than those of the local public societies; that the conditions for retaining membership and obtaining sickness aid shall not be more severe than those imposed on persons subject to insurance; that the society shall discharge the same obligations to persons insured against accident in the Royal Institution of Insurance as do the public sickness societies; that the members are not responsible for the society's

obligations beyond the amount of their premiums; that the society shall give the members the right to retain their membership after leaving the undertaking or association with which the society is connected or shall pledge itself to give to members who are transferred to a public society definite aid in sickness, confinement, or death occurring during the first twelve weeks after the transfer; and that members over 40 years of age shall have the right to retain their membership according to the rules laid down by public societies.

In order to gain recognition the society must have at least 200 members; but communal and trade sickness societies may be approved if they have at least 100 members, and the Royal Institution of Insurance may recognize societies established before this law goes into effect, even if they have fewer members, but not less than 50, provided that the reserve fund is sufficient.

Recognized sickness societies shall, like the public societies, be reimbursed for expenses of sickness aid to persons injured in industrial accidents and shall receive annually from the State two-tenths and from the commune one-tenth of the average premium from each member, and from the employer one-tenth of the average premium for each of his employees subject to insurance, but not more than 3 crowns (80.4 cents) from the State, 1½ crowns (40.2 cents) from the commune, and 1½ crowns (40.2 cents) from the employer for each member.

Each recognized society must report annually to the Royal Institution of Insurance and in general must submit to the same regulations and control as public societies.

Disputes as to whether a person is subject to insurance at a certain time, the beginning or cessation of insurance, the rejection by a local sickness society of a petition for voluntary insurance, whether an insured person has been assigned to the right income or risk class, a contested claim from a local society for a premium, an employer's deduction from the wages on account of premiums paid, or of pecuniary aid received, right to vote and election to office, claims to grants from sickness societies, or an employer's claim to reimbursement for aid to an employee in a foreign country, are submitted to a jury of three members chosen for three years by the communal authorities. Of these members at least one shall be a member of the committee, one an employer, and one a member of a local sickness society.

If the parties so arrange beforehand, the jury's decision is final; otherwise it may be appealed to the Royal Institution of Insurance, the decision of which is final unless the dispute involves a question of law. If the commune is a party in the case, the dispute is submitted directly to the Royal Institution of Insurance, the decision of which may be appealed to the appeal commission of royal insurance.

Disputes which arise between local sickness societies concerning claims and obligations under this law, or between a local sickness society and the commune concerned, concerning the obligations of the latter to the former may be submitted to the Royal Institution of Insurance for settlement.

#### MISCELLANEOUS PROVISIONS.

No employer can, by agreement or regulation, illegally set aside or limit the provisions of this law.

If anyone is under obligation, according to the provisions of the accident insurance law, to render compensation for injury occasioned by an accident, the sickness society concerned has preferential right to reimbursement, from the amount of this compensation, of its own expenditures in connection with the injury.

Employers who fail to send in promptly the notices, reports, and information required or who send in incorrect information are fined.

Witness fees are paid from the public treasury.

The necessary arrangement for carrying out the provisions of this law are to be made by the governmental department concerned. Those provisions of the law which have to do with these preparations go into effect at once, while the rest of the provisions go into effect July 1, 1911.

#### UNEMPLOYMENT INSURANCE.

During the closing years of the last century the problem of unemployment and how best to solve it received much attention in Norway. As in Denmark, there was much agitation in favor of the carrying on of government enterprises during periods of depression and of the initiation by the communes of public work at such times. For the purpose of restricting, as far as possible, that unemployment which is due to the failure of employer and workmen to find each other, employment offices were maintained by trade-unions and also by the four largest cities. In 1901 a departmental committee was appointed to consider the question of what could be done by the public to relieve unemployment through a more thorough system of employment offices. This committee proposed that the whole country be covered with a network of communal employment offices, with central offices for the various regions; and in accordance with this report there was passed on June 12, 1906, a law concerning public employment offices. As a result of this law the number of communal employment offices has already materially increased.

The table following gives the chief statistics of the work of the municipal employment offices for the years in question:

**NUMBER OF MALE WORKERS WHO APPLIED FOR WORK AT THE MUNICIPAL EMPLOYMENT OFFICES IN SPECIFIED MONTHS, JULY, 1906, TO OCTOBER, 1907.**

[Source: Statistisk Aarbog for Kongeriget Norge, 1907.]

Month.	Total applications.				Applications per 100 vacant places.				
	Christi- ania.	Bergen.	Trond- hjem.	Sta- vanger.	Christi- ania.	Bergen.	Trond- hjem.	Sta- vanger.	Average.
July, 1906.....	1,047	346	74	235	170	126	255	107	140
October, 1906.....	1,344	323	57	299	171	126	271	205	167
January, 1907.....	1,419	282	113	334	264	187	297	138	222
April, 1907.....	1,208	332	163	335	167	107	219	106	141
July, 1907.....	982	270	32	216	145	101	84	111	127
October, 1907.....	1,190	290	33	278	145	135	165	203	150

**NUMBER OF PERSONS APPLYING TO THE MUNICIPAL EMPLOYMENT OFFICES FOR WORK, VACANT PLACES, AND PLACES FILLED, 1903 TO 1906.**

[Source: Statistisk Aarbog for Kongeriget Norge, 1907.]

City and year.	Department for males.				Department for females.			
	Persons applying for work.	Vacant places.	Places filled.	Applica- tions per 100 vacant places.	Persons applying for work.	Vacant places.	Places filled.	Applica- tions per 100 vacant places.
<b>Christiania:</b>								
1903.....	13,287	4,331	4,099	307	8,428	6,446	5,976	131
1904.....	13,672	4,161	3,908	329	9,138	7,749	6,545	118
1905.....	18,725	6,039	5,643	310	9,263	8,890	7,110	104
1906.....	16,482	6,809	6,276	242	9,308	10,454	7,628	89
<b>Bergen:</b>								
1903.....	2,501	1,242	1,105	201	1,307	910	755	144
1904.....	3,105	1,892	1,653	164	1,326	1,032	850	128
1905.....	2,818	1,831	1,669	154	1,452	1,094	929	133
1906.....	3,644	2,483	2,123	147	1,531	1,345	997	114
<b>Trondhjem:</b>								
1903.....	868	622	459	140	74	107	31	69
1904.....	751	384	264	196	66	66	22	100
1905.....	895	630	357	142	38	48	13	79
1906.....	1,476	490	340	301	84	63	11	133
<b>Stavanger:</b>								
1903.....	1,685	884	813	191	315	181	104	174
1904.....	1,409	790	683	178	352	224	118	157
1905.....	4,285	2,080	1,827	206	881	920	313	96
1906.....	3,761	2,506	1,938	150	754	1,314	315	57

The workmen of Norway are among the best organized in the world, and the unions have given much attention to finding work for their unemployed members and have expended large sums in unemployment aid.

# CHAPTER VIII.—WORKMEN'S INSURANCE IN NORWAY. 2075

The following table gives the statistics for unemployed union workmen for the year in question:

## STATISTICS OF UNEMPLOYMENT AMONG UNION WORKMEN FOR SPECIFIED MONTHS, SEPTEMBER, 1906, TO SEPTEMBER, 1907.

[Source: Statistisk Aarvog for Kongeriget Norge, 1907.]

Occupation and month.	Number of workers.	Workers unemployed—						Number of days of unemployment.	
		At end of month.		During month.					
		Num-ber.	Per cent.	1 to 12 days.	13 to 18 days.	19 days and over.	Total.	Total.	Per member.
TOTAL.									
September, 1906.....	16,391	216	1.3	448	(a)	b 221	669	7,171	0.44
October, 1906.....	16,923	412	2.4	459	(a)	b 328	787	10,383	.61
November, 1906.....	16,747	488	2.9	588	(a)	b 419	1,007	13,577	.81
December, 1906.....	18,199	1,007	5.5	654	(a)	b 779	1,433	20,959	1.15
January, 1907.....	19,164	1,300	6.8	1,072	255	1,028	2,355	37,771	1.97
February, 1907.....	18,869	918	4.9	549	187	797	1,533	25,904	1.37
March, 1907.....	18,517	745	4.0	695	167	601	1,463	20,130	1.09
April, 1907.....	20,097	660	3.3	1,094	99	453	1,646	18,116	.90
May, 1907.....	20,175	285	1.4	877	62	169	1,108	10,847	.54
June, 1907.....	17,036	143	.8	341	54	98	493	4,960	.29
September, 1907.....	18,461	219	1.2	369	81	97	547	5,725	.31
SEASONAL WORKERS.									
Masons and painters:									
September, 1906.....	743	32	4.3	40	(a)	b 24	64	725	1.0
December, 1906.....	1,139	460	40.4	155	(a)	b 349	504	8,682	7.6
March, 1907.....	700	112	16.0	72	24	123	219	3,740	5.3
June, 1907.....	1,282	28	2.2	88	7	27	122	1,088	.8
September, 1907.....	1,202	74	6.2	66	8	16	90	865	.7
Building trades:									
September, 1906.....	1,632	43	2.6	86	(a)	b 37	123	1,428	.9
December, 1906.....	1,439	125	8.7	109	(a)	b 109	218	3,228	2.2
March, 1907.....	1,705	64	3.8	160	52	51	263	3,280	1.9
June, 1907.....	1,440	28	2.0	68	17	19	104	1,195	.8
September, 1907.....	1,574	12	.8	66	11	4	81	755	.5
Sawyers, planers, etc.:									
September, 1906.....	1,074	22	2.0	136	(a)	b 26	162	1,327	1.2
December, 1906.....	1,457	85	5.8	156	(a)	b 74	230	2,413	1.7
March, 1907.....	1,065	132	12.4	210	27	89	326	3,516	3.3
June, 1907.....	1,030	.....	.....	1	.....	.....	1	6	.....
September, 1907.....	630	.....	.....	10	9	.....	19	250	.4
Log drivers:									
March, 1907.....	232	200	86.2	.....	.....	220	220	4,400	19.0
Other trades:									
September, 1906.....	12,709	119	.9	186	(a)	b 134	320	3,691	.3
December, 1906.....	14,070	337	2.4	234	(a)	b 247	481	6,636	.5
March, 1907.....	14,815	237	1.6	253	64	118	435	5,194	.4
June, 1907.....	13,158	87	.7	184	30	52	266	2,671	.2
September, 1907.....	14,699	133	.9	227	53	77	357	3,855	.3
Workers in iron and other metals:									
September, 1906.....	5,342	41	.8	109	(a)	b 34	143	1,130	.2
December, 1906.....	5,475	111	2.0	111	(a)	b 66	177	2,000	.4
September, 1907.....	6,569	57	.9	140	17	24	181	1,434	.2
Typographers:									
September, 1906.....	1,196	20	1.7	32	(a)	b 38	70	922	.8
December, 1906.....	1,488	55	3.7	57	(a)	b 22	79	855	.6
September, 1907.....	1,480	42	2.8	41	20	30	91	1,290	.9

a Included in number unemployed 19 days and over.  
b Including number unemployed 12 to 18 days.



**UNEMPLOYMENT SOCIETIES.**

In the years 1902 and 1903 there were presented to the Norwegian Storting two bills providing that the State should grant aid to workmen's unemployment societies. The Storting rejected the bills on the ground that they lacked technical clearness, and instead gave a grant for the appointment of a departmental committee for the consideration of the question whether measures should be taken to advance the establishment and work of private or communal unemployment societies, and, if so, what measures. On December 30, 1905, after six months' work, this committee made its report containing a plan for state and communal grants to Norwegian unemployment societies, together with a memorial in which the various phases of unemployment and insurance against it in Norway and other lands are carefully considered.

The bill submitted by the departmental committee was altered by the Government in one point only. It was decided that only one-fourth instead of one-third of the expenditures of the unemployment societies should be repaid them by the State and commune. In the Storting some additions were made. A provision was added to the effect that the societies should derive at least one-half their income from dues. It was also provided that the societies should receive reimbursement only for aid to members who are citizens of Norway or have resided in Norway for at least five years, and that the State should receive reimbursement from the commune for members who have resided in the commune for half a year. The law received the royal sanction on June 12, 1906.

The main provisions of the law are as follows:

**PROVISIONS OF THE LAW OF JUNE 12, 1906.**

**REFUNDMENT.**—All Norwegian societies of unemployment which fulfill the conditions prescribed by the present law may, on petition, be granted recognition as entitled to have refunded from the state treasury one-fourth of the amount of money with which they aid their insured members resident in the country, if they are Norwegian citizens or have been residents of the country for the last five years. Such refundment is made quarterly by that government department to which the administration of the law is intrusted by the King.

**CONDITIONS OF OBTAINING RECOGNITION.**—To be able to obtain recognition as entitled to refundment, the unemployment society in question must derive at least one-half of its income from the dues of its members. Its by-laws must also contain provisions to the following effect:

1. That a member has no right to aid unless he has been a member of the society for at least the last half year and has paid his dues for at least twenty-six weeks since last becoming a member;

2. That local aid is not given before the unemployment has existed for a certain length of time, which must not be made less than three days;

3. That as local aid there is not given more than a certain amount, which shall not be more than half of what is to be regarded as the average daily wages in the occupation of the member in question;

4. That aid is not given for more than ninety days in the course of twelve months, if the society's by-laws are based on the administrative year, or in the course of one calendar year;

5. That members of the society are obliged, in case of unemployment, to accept the work which the directors of the society regards as suitable for them;

6. That if the ordinary dues prove insufficient, extra dues may be assessed and, if it becomes necessary, a reduction may be made in the amount of the aid provided for in the by-laws;

7. That no aid is given to a member who belongs to another unemployment society or to a member who is receiving aid from a sickness society.

8. That no local aid or traveling or moving aid is given to any but persons who are undeservedly out of work, but are capable of work. Undeserved unemployment does not include unemployment in connection with strikes or lockouts.

Existing societies may receive temporary recognition even if their by-laws do not in every respect conform to the above requirements, but only for the period which, according to the societies' by-laws, must elapse before the alteration can be made.

An application for recognition is sent to the department concerned, accompanied by a copy of the society's by-laws. If the department finds that these satisfy the above conditions, and are not in other respects out of accord with the present law, the petition may be granted. Later alterations in the society's by-laws may not be made without the department's consent.

SOURCE OF PUBLIC GRANTS.—Two-thirds of the amount which the State thus pays out is to be assessed once a year by the department concerned against the country and city communes in which the persons who have received unemployment support have last resided for six consecutive months within the last five years, reckoned from the first day for which support is granted. The obligation of refundment does not, however, devolve upon the commune for workmen or employees regularly employed in the public construction of roads, railroads, etc., who have resided in the commune merely on account of such work.

The State bears the entire expense: (a) If the residence which is made the condition of the obligation of refundment can not be proved to exist; (b) if the person aided has not during the past five years

resided for six consecutive months in any one Norwegian commune; (c) if the commune where the person aided has last resided for six consecutive months is, according to the second provision of the preceding paragraph, freed from the obligation.

The question whether the obligation of refundment devolves upon any commune, and if so, on which commune, is decided by the department concerned.

**RELATION TO TRADE-UNION.**—Every unemployment society entitled to refundment shall keep special accounts. Its funds shall be kept separate from other funds, including all other funds of the union if the unemployment society is connected with a union, and must be used only in payment of the society's own obligations. If it is connected with a union its funds may not be made the object of arrest, execution, or distraint by the creditors of the union, nor can a debt owed by anyone who is insured in such a society be collected by attachment of any sums due him from the society.

Every unemployment society connected with a union must, to obtain refundment, give persons having the same occupation as members of the society access to insurance on the same terms as these, even if they are not members of the union. But such insured persons do not obtain a right to take part in decisions concerning the by-laws of the society or in its management, unless the society passes a resolution to this effect. Moreover, the society, if its administration is carried on by the union in question, may impose upon such insured persons a 10 per cent increase of the ordinary membership dues to cover administration expenses; and if this proves insufficient, it may, with the department's approval, further increase them up to at most 15 per cent.

**APPEALS, REPORTS, AND INSPECTION.**—If anyone who is, or has demanded to be, insured in one of the unemployment societies treated of in this law thinks that a decision made by the managers of the society in his case is illegal, he may appeal it to the department concerned.

An unemployment society, the petition of which for the right of refundment has been granted, must not give aid to any unemployed person who resides in a commune for which there exists a public employment office until the person in question has been in vain reported at this office as seeking work. If this is omitted, the unemployment society loses its right to have any of the aid thus given refunded. As soon as the unemployed person again gets work, this fact also is reported to the office by the unemployment society.

The unemployment societies which receive refundment under the present law shall, at the end of each quarter, send in to the department concerned statements of the unemployment aid given during the quarter, accompanied by the vouchers and the information

specified by the department. As soon as the statements are found to be correct the refundment provided for takes place.

Once a year the unemployment society in question sends in to the department a report of its activity and a balance sheet of its accounts.

The unemployment societies treated of in this law shall send in each month to the communal authorities in the communes where unemployment aid is given reports concerning it, according to a plan furnished by the department.

As soon as possible after examining these reports the communal authorities are to turn them over to the department concerned, together with the remarks to which the reports give rise. Those of the society's payments in connection with which no remarks are made are regarded as approved by the communal authorities, if the obligation of refundment under this law devolves upon the commune which has to control the reports.

The communal authorities may themselves, or through an appointed board of inspectors consisting of one or several persons, examine the reports more carefully and may decide that they shall be sent directly to the board of inspectors. If a special board of inspectors is appointed for this purpose the appointment holds for three years, and anyone may refuse to accept reelection during a period equal to the time which he has served. The communal authorities or the board of inspection appointed by them must, among other things, see to it that the by-laws of the unemployment societies, in so far as they refer to the granting of aid only to persons undeservedly out of work, but capable of work, and not out of work on account of strikes or lockouts, are severely enforced, and they may, to the extent necessary, examine the books and accounts of the unemployment societies and demand from their directors the information which is needed. The board of inspection carries on its work in accordance with the rules laid down by the communal authorities with the approval of the department. In case of disagreement between the communal authorities or the board of inspection and an unemployment society concerning the legality of aid paid out, the case is submitted to the department for decision.

The quarterly statements mentioned above must be sent in to the department within six weeks after the end of the quarter and the monthly reports must be sent to the communal authorities within fourteen days after the end of the month; otherwise the right to refundment is lost.

**WITHDRAWAL OF RIGHT TO REFUNDMENT.**—The right to receive refundment may be withdrawn from an unemployment society, or a section of such society, if its directors repeatedly violate the society's by-laws in important respects or if palpably defective reports are repeatedly sent in.

This law goes into effect October 1, 1906, and ceases to be in effect at the close of 1911 at the latest.

## APPLICATION OF THE LAW.

In view of the fact that the labor unions had expressed general approval of the bill, it had been expected that after the passage of the law the existing unemployment societies would hasten to avail themselves of its advantages, and, as a matter of fact, the Norwegian Bookbinders' Association and Norwegian Bakers' Association did petition for recognition, and the most important of the other national associations were on the point of so doing; but, acting under the advice of the Social Democratic Party, they withdrew their petitions and the other associations postponed action until a social democratic project for the abrogation of paragraph 6 should have been acted upon by the Storting. This project was rejected by the Storting, which, however, by the amending law of July 25, 1908, increased the amount of the public grants from one-fourth to one-third of the amounts paid out in aid by the societies; that is, the public grant amounts to one-half of the amount contributed by the societies themselves.

Meantime the law had already afforded the impulse for a strong movement among commercial employees toward the formation of a national unemployment society for store, warehouse, and office employees, and, as a preliminary step office employees had established an unemployment society of their own, which had obtained recognition under the new law.

After the above-mentioned action of the Storting, the unions no longer held back, but took measures to get state recognition. The three largest associations—that of the metallurgists, with 7,809 members; the workers in wood, with 2,212 members, and the printers, with 1,731 members—were to be entitled to the grants November 1, 1908; and before the end of the year 1908 other applications had been received. It was then estimated that in two years 50,000 workmen and 5,000 commercial employees would be enjoying the benefits of the law.

In this connection the following statistics are interesting:<sup>(a)</sup>

The membership of the national associations having unemployment societies in May, 1908, is as follows:

	Members.
Iron and Metal Workers' Association.....	7,580
Association of Workers in Wood.....	2,129
Central Alliance for Printers.....	1,650
Molders' Association.....	976
Shoemakers' Association.....	927
Bakers' Association.....	558
Furniture Joiners' Association.....	552
Bookbinders' Association.....	378
Total.....	14,750

<sup>a</sup> From Die Arbeiter-Versicherung im Auslande, Dr. Zacher, Heft IIIb, 1908, p. 83.

There are also five local unions in Christiania which have unemployment societies: The Goldsmiths' Union, the Model Joiners' Union, the Confectioners' Union, the Cork Cutters' Union, and the Cigarmakers' Union. These five unions have altogether 450 members.

The national associations which as yet have no unemployment societies are as follows:

	Members.
Workmen's Association.....	20, 883
Association of Harbor Workers and Conveyors.....	1, 321
Painters' Association.....	1, 048
Masons' Association.....	842
Stone Cutters' Association.....	811
Tailors' Association.....	594
Total.....	25, 499

There are also a number of other local unions which together have about 1,000 members.

Prof. Dr. Oskar Jaeger sums up the social significance of the law as follows:

The Norwegian law affords, therefore, in a high degree the suitable conditions for all those workmen of the country who wish to make the necessary sacrifice for unemployment insurance, and it will certainly give greater strength to the movement in favor of unemployment insurance.

The law is framed with a view to encouraging self-help on the part of workmen, for not a crown is paid to them from the public funds until they have paid out from their own funds 3.25 crowns as an advance on the 1 crown coming from the public. And the grants which the State and commune make in this way to unemployment insurance will adjust themselves automatically, so to speak, to the need of the workmen; for in good times when unemployment and the amount spent in aid are slight the public grants will be small, and in bad times when unemployment increases they will increase in just the same proportion as the unemployment aid procured by the workmen themselves. A further advantage is that the compulsion which obligatory insurance exercises upon the workmen and which is so distasteful is here lacking.

Naturally the passage of the law does not make any one of the arrangements which might serve to combat unemployment superfluous. On the contrary, the obligation imposed on the State and commune of making grants to the unemployment societies will stimulate them still more to do everything in their power to limit unavoidable unemployment as far as possible. But in following the course marked out by the law the Norwegian Government has taken an important step toward the alleviation of much undeserved need, the removal of much bitterness toward the existing order of society, and insuring their country a peaceful and equable social political development.



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## CHAPTER IX.

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# WORKMEN'S INSURANCE IN RUSSIA.

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# CHAPTER IX.

## WORKMEN'S INSURANCE IN RUSSIA.

### INTRODUCTION.

The industrial development of the Russian Empire dates practically from the day of the emancipation of the serfs in 1861. Prior to that date manufacturing was conducted mainly in artisans' shops, and the few factories and mills then existing mostly employed serf labor. The problems of workmen's insurance could not have arisen in Russia until a comparatively recent date. Russia is primarily an agricultural country. The rural population, according to the census of 1897, constituted 108,811,626 out of a total of 125,640,021, or 86.6 per cent. Of the 33,201,495 persons gainfully employed, 18,245,287, or 55 per cent, were engaged in agriculture. Together with their dependents they constituted 93,701,564, or 74.6 per cent of the entire population.

But within the last thirty years the growth of Russian industry has been quite rapid. The urban population increased from 7,293,161, or 10 per cent of the total population, in 1858, to 16,828,395, or 13.4 per cent, in 1897.

According to the later census, the total number of persons employed in manufacturing and mechanical pursuits in 1897 was 5,169,919 and in transportation 714,745, making a total of 5,884,664 for the industrial army, or 17.7 per cent of those gainfully employed.

The table following shows the number and per cent of persons engaged in the various industries, according to the census of 1897:

NUMBER AND PER CENT OF PERSONS ENGAGED IN THE VARIOUS INDUSTRIES OF THE RUSSIAN EMPIRE IN 1897.

[Source: Premier Recensement General de la Population de l'Empire de Russie, 1897.]

Industry.	Persons engaged in gainful occupations.						Members of families of persons engaged in gainful occupations.	Total.	
	Male.		Female.		Total.			Number.	Per cent.
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.			
Agricultural pursuits..	16,159,118	60.0	2,096,169	33.3	18,245,287	55.0	75,456,277	93,701,564	74.6
Professional service....	786,673	2.9	202,140	3.2	988,813	3.0	1,552,436	2,541,249	2.0
Personal service.....	2,958,070	11.0	1,817,283	29.0	4,775,353	14.3	2,748,943	7,524,296	6.0
Manufacturing and mechanical pursuits..	4,187,826	15.5	982,093	15.7	5,169,919	15.6	7,115,643	12,285,562	9.8
Transportation.....	692,629	2.6	22,116	.4	714,745	2.1	1,236,265	1,951,010	1.5
Commercial pursuits...	1,331,581	4.9	299,408	4.8	1,630,989	4.9	3,364,398	4,995,387	4.0
All other.....	824,631	3.1	851,758	13.6	1,676,389	5.1	964,564	2,640,953	2.1
Total.....	26,940,528	100.0	6,260,967	100.0	33,201,495	100.0	92,438,526	125,640,021	100.0



The industrial development of Russia, as of any other country, manifested itself not only in the increase of the number of persons employed in industrial occupations, but also in the substitution of large manufacturing establishments for small, independent undertakings and the consequent growth of the wage-earning classes.

The problem of workmen's insurance concerns itself mainly with the wage-earner and not with the independent producer. For this reason the report published in 1906 by the Russian Government concerning the number of wage-earners in Russia, though based upon the data of the census of 1897, is of great importance. In the following table are shown the total number of persons employed as wage-earners in various branches of mining, manufacturing, transportation, commerce, agriculture, and unskilled labor and service.

NUMBER AND PER CENT OF WAGE-EARNERS OF EACH SEX, BY INDUSTRIES, 1897.

[Source: Ministerstvo vnutrennykh del. Chislennost i Sostav rabochikh v Rossii na osnovanii dannykh pervoi vseobshchei perepisi naselenia Rossiiskoi Imperii 1897 goda. St. Petersburg, 1906.]

Industry.	Total wage-earners.	Males.		Females.	
		Number.	Per cent.	Number.	Per cent.
<b>Mining:</b>					
Miners.....	163,738	155,020	94.7	8,718	5.3
Smelters.....	42,638	40,940	96.0	1,698	4.0
Total.....	206,376	195,960	95.0	10,416	5.0
<b>Manufacturing:</b>					
Textiles.....	530,138	310,439	58.6	219,699	41.4
Animal products.....	74,270	71,246	95.9	3,024	4.1
Woodworking.....	173,043	166,295	96.1	6,748	3.9
Metal working.....	370,933	364,720	98.3	6,213	1.7
Minerals.....	83,138	74,469	89.6	8,669	10.4
Chemical products.....	61,004	45,247	74.1	15,847	25.9
Beverages—					
Alcoholic liquors.....	38,723	26,918	69.3	1,806	4.7
Other.....	4,220	4,035	95.6	185	4.4
Food products.....	194,703	183,941	94.5	10,762	5.5
Tobacco.....	27,994	10,620	37.9	17,374	62.1
Paper and printing.....	52,175	46,550	89.2	5,625	10.8
Instruments.....	8,030	7,722	96.2	308	3.8
Jewelry, etc.....	25,767	25,213	97.8	554	2.2
Clothing.....	326,470	256,889	78.7	69,581	21.3
Building.....	345,724	345,724	100.0		
Carriages and wooden boats.....	8,793	8,768	99.7	25	.3
Other.....	65,357	54,029	82.7	11,328	17.3
Total.....	2,390,572	2,012,825	84.2	377,747	15.8
<b>Transportation:</b>					
Post, telegraph, and telephone.....	5,463	5,439	99.6	24	.4
Water transportation.....	44,141	43,885	99.4	256	.6
Railroads.....	175,246	162,784	92.9	12,462	7.1
Carting.....	118,423	117,761	99.4	662	.6
Other.....	25,756	25,391	98.6	365	1.4
Total.....	369,029	355,260	96.3	13,769	3.7
<b>Commercial pursuits:</b>					
Commerce.....	118,787	113,171	95.3	5,616	4.7
Hotels, restaurants, etc.....	76,970	72,266	93.9	4,704	6.1
Liquor trade.....	17,336	15,270	88.1	2,066	11.9
Cleaning, laundry work, etc.....	42,495	11,751	27.7	30,744	72.3
Total.....	255,588	212,458	83.1	43,130	16.9

NUMBER AND PER CENT OF WAGE-EARNERS OF EACH SEX, BY INDUSTRIES,  
1897—Concluded.

Industry.	Total wage-earners.	Males.		Females.	
		Number.	Per cent.	Number.	Per cent.
<b>Agricultural pursuits, etc.:</b>					
Agriculture.....	2,132,809	1,467,302	68.8	665,597	31.2
Cattle raising.....	411,817	341,596	82.9	70,221	17.1
Forestry.....	84,714	83,404	98.5	1,310	1.5
Other rural industries.....	57,990	44,820	77.3	13,170	22.7
Fishing and hunting.....	35,203	32,331	91.8	2,872	8.2
Total.....	2,722,623	1,969,453	72.3	753,170	27.7
<b>Common (unskilled) laborers.....</b>	<b>1,094,848</b>	<b>809,426</b>	<b>73.9</b>	<b>285,422</b>	<b>26.1</b>
<b>Servants:</b>					
In institutions.....	167,240	142,706	85.3	24,534	14.7
In factories, etc.....	226,743	205,720	90.7	21,023	9.3
House servants (janitors, etc.).....	162,053	160,069	98.8	1,964	1.2
Domestic servants.....	1,556,599	268,066	17.2	1,288,513	82.8
Total.....	2,112,635	776,601	36.7	1,336,034	63.3
<b>Grand total.....</b>	<b>9,151,671</b>	<b>6,330,983</b>	<b>69.2</b>	<b>2,819,688</b>	<b>30.8</b>

According to these census figures the wage-earners in Russia numbered over 9,000,000, of whom about 2,400,000 were employed in manufacturing, 200,000 in mining, and 370,000 in transportation, giving a total of nearly 3,000,000 for wage-earners in industry, in the narrower sense of the word. Agricultural laborers numbered over 2,700,000, the servant class over 2,100,000, unskilled labor nearly 1,100,000, and wage-earners in commercial pursuits (not including salaried employees) over 250,000.

As a matter of fact this number is not as great as it would be but for the limitation put in Russia upon the designation "wage-earner" (*zabochi*). A great many persons who would be so designated in this country are classed with salaried employees in Russia, as, for instance, many railway employees.

On the other hand, a comparison between the number of wage-earners and the total number of persons employed in various occupations demonstrates the existence of a very large number of small independent producers in various branches of industry, as, for instance, in textile, woodworking, metal working, clothing, etc. This comparison, as made in the following table, shows that in manufactures in general only 48.3 per cent of the persons occupied were wage-earners, and more than one-half were independent producers.

**PROPORTION OF WAGE-EARNERS TO TOTAL NUMBER OF PERSONS EMPLOYED,  
BY INDUSTRIES, 1897.**

[Source: Premier Recensement General de la Population de l'Empire de Russie, 1897. Relevé Général, St. Petersburg, 1905, Vol. II. Chislennost i Sostav Rabochikh v Rossii, St. Petersburg, 1906, Vol. 1.]

Industry.	Number of persons employed.	Wage-earners.	
		Number.	Per cent of persons employed.
<b>Mining:</b>			
Miners.....	181,303	163,738	90.3
Smelters.....	47,560	42,638	89.7
<b>Total.....</b>	<b>228,863</b>	<b>206,376</b>	<b>90.2</b>
<b>Manufacturing:</b>			
Textiles.....	959,584	530,138	55.2
Animal products.....	154,221	74,270	48.2
Woodworking.....	410,126	173,043	42.2
Metal working.....	624,954	370,933	59.4
Mineral products.....	125,781	83,138	66.1
Chemical products.....	76,869	61,094	79.5
Beverages—			
Alcoholic liquors.....	48,485	38,723	79.9
Other.....	8,740	4,220	48.2
Food products.....	343,794	194,703	56.6
Tobacco.....	31,485	27,994	88.9
Paper and printing.....	82,397	52,175	63.3
Instruments.....	23,391	8,030	34.3
Jewelry, etc.....	54,570	25,767	47.2
Clothing.....	1,158,865	326,470	28.2
Building.....	726,926	345,724	47.6
Carriages and wooden boats.....	14,400	8,793	61.1
Other.....	106,468	65,357	61.4
<b>Total.....</b>	<b>4,951,056</b>	<b>2,390,572</b>	<b>48.3</b>
<b>Transportation:</b>			
Post, telegraph, and telephone.....	46,729	5,463	11.7
Water transportation.....	71,057	44,111	62.1
Railroads.....	262,180	175,246	66.8
Carting and drayage.....	302,956	118,423	39.1
Other.....	31,823	25,756	80.9
<b>Total.....</b>	<b>714,745</b>	<b>369,029</b>	<b>51.6</b>
<b>Commercial pursuits:</b>			
Commerce.....	1,256,330	118,787	9.5
Hotels, restaurants, etc.....	154,470	76,970	49.8
Liquor trade.....	84,287	17,336	20.6
Cleaning, laundry work, etc.....	135,902	42,495	31.3
<b>Total.....</b>	<b>1,630,989</b>	<b>255,588</b>	<b>15.7</b>
<b>Agricultural pursuits, etc.:</b>			
Agriculture.....	16,658,134	2,132,899	12.8
Cattle raising.....	1,121,828	411,817	36.7
Forestry.....	125,756	84,714	67.4
Other rural industries.....	199,807	57,990	29.0
Fishing and hunting.....	138,762	35,203	25.4
<b>Total.....</b>	<b>18,244,287</b>	<b>2,722,623</b>	<b>14.9</b>
<b>Common (unskilled) laborers.....</b>	<b>1,120,156</b>	<b>1,094,848</b>	<b>97.7</b>
<b>Servants:</b>			
In institutions.....	<sup>a</sup> 167,240	167,240	100.0
In factories, etc.....	242,011	226,743	93.7
House servants (janitors, etc.).....	165,650	162,053	97.8
Domestic servants.....	1,578,412	1,556,599	98.6
<b>Total.....</b>	<b>2,153,313</b>	<b>2,112,635</b>	<b>98.1</b>
<b>Grand total.....</b>	<b>29,043,409</b>	<b>9,151,671</b>	<b>31.5</b>

<sup>a</sup> Because of differences in classification this item could not be obtained; it is therefore assumed to be the same as the number of wage-earners.

Along with the industrial development the problems of protection of workmen against the results of accidents, sickness, and old age have been growing in importance and have commanded increasing attention.

The workmen's compensation act of June 2 (15), 1903, embracing all large industries, is perhaps the most important result in the domain of workmen's insurance. It has introduced a system of compensation of workmen against industrial accidents within a rather limited scope.

In the field of old-age insurance the existing provisions embrace almost exclusively the individual employees of the State. Of the private employees thus provided for the most important are the railroad employees, for whom old-age pension funds were established in 1888. In view of the extensive undertakings of the Russian Government, however, the existing old-age pension funds cover a very large body of industrial wage-earners. The pension fund for government railroad employees was organized in 1894, the fund for employees of the liquor monopoly in 1900, etc.

Very much less has been established in the domain of provision against sickness, though the earliest social labor legislation concerned itself with the care of the men in factories in case of sickness. Special laws concerning employees of certain state establishments were promulgated early in the nineteenth century, and general provisions in the form of temporary regulations were made in 1866, requiring the factory owners to furnish medical aid and if necessary hospital treatment to the sick employees. Thus from the very beginning the problem of medical treatment was separated from that of financial aid during sickness, and the burden of such medical treatment was placed upon the employer. Fairly satisfactory results were obtained in this branch of sickness insurance, but almost no progress was made in the other branch.

Thus, the entire situation in regard to workmen's insurance in Russia may be summarized as follows:

1. An accident compensation law of 1903, followed by a series of special laws for various groups of government employees.
2. The law of 1866 requiring the furnishing of medical treatment in factories (extended in 1886 to mines), and
3. A series of special institutions for old-age and invalidity insurance and relief mainly of government employees.

In addition to these provisions for the welfare of the wage-earners, as established by laws and governmental decrees, there is in Russia but little that can be traced to voluntary efforts, either of the employer or of the employees themselves.

Within the last few years, and especially since the establishment of the National Legislature, considerable activity has manifested itself

in the preparation of legislative proposals for comprehensive insurance systems, including all the three main branches of workmen's insurance, against accidents, sickness, and old age and invalidity. Such proposals were published in 1905, 1906, 1907, and 1908, and the last ones were formally introduced in the Duma and await the action of this body.

#### **ACCIDENT INSURANCE.**

#### **EMPLOYERS' LIABILITY.**

The system of workmen's compensation in Russia grew out of the development of the idea of employers' liability. A consideration of the principles governing the liability of employers for injuries sustained by workmen in the course of their employment is important, not only for historical reasons but because employers' liability still remains the only means of redress for workmen not included under the provisions of the law of 1903.

Until the promulgation of this law the Russian code did not include any special law to determine the general principles of the employers' liability for industrial injuries. Such measures as passed prior to 1903 were intended for relief of definite classes of wage-earners, primarily state and railroad employees. The responsibility of employers for results of industrial accidents was based altogether upon the general provisions of the Russian code in regard to general responsibility for results of acts committed, whether criminal or not. According to article 644 of Volume X, part 1, of the Russian code, a person guilty of committing a crime, whether with or without intent, must compensate for all losses directly caused by his act, and according to article 645 he must also compensate for all losses, even though very remote, if it be proven that the overt act was committed with the intent to cause losses to the victim of the act, while the following section exempts such losses as are caused by accidental acts, without intent and without any negligence.

The sections of the code quoted apply only to criminal acts, but the failure to convict the person of any criminal act does not relieve him of the civil liability for any losses caused by his acts, for this liability is established by other sections of the code. Moreover, in these sections the civil responsibility is much broader than that laid down in the sections mentioned above. Section 684 provides that "each person is obliged to compensate for damage and losses caused to any party by his act or omission, even if not criminal, provided he had not been forced to commit that act by demands of law, or of the Government, or in self-defense, or by a combination of circumstances which he could not prevent." Furthermore, section 687 establishes also the responsibility of a person not only for his acts, but also for those of his agents, and that of a master for the acts of a servant.

Taken together, articles 684 and 687 establish the law of liability for injuries in general. They extend as much protection to the employee as they do to the injured outsider, and this feature is the most characteristic one of the general Russian system of employers' liability. Special legislation in regard to special groups of employees, which will be stated presently, has extended the liability of employers. But any restrictions of the rights of the employees for compensation in case of accidents, as compared with the rights of outsiders, such as the doctrine of common employment or the fellow-servant doctrine, are altogether foreign to the Russian law.

In their application to industrial accidents and to employers' liability to their employees, these basic provisions of the law were considerably influenced by the decision of the Governing Senate, the highest judicial body of the land. According to these decisions the master is responsible for all acts of the servant which have been committed by the latter in the performance of his duties. The problem of negligence or fault does not enter into the discussion; the liability depending, according to the wording of the law, upon the question whether the accident was preventable or not, only non-preventable accidents forming an exception to the liability. Intent, or fault, or negligence may be important to determine the presence of criminal liability, but some definite act or omission and the preventable nature of the accident are sufficient to establish the civil liability of the employer.

Article 687 does not clearly establish upon whom the burden of evidence should fall, simply stating that the person shall not be liable for his act or that of his agent if it shall be proven that the accident was unpreventable. This proof then being a part of the defense, it was established by many decisions of the Governing Senate that according to the general rules of civil procedure the plaintiff may establish his claim by proving only the injury, the accident, and the specific act of the employer or his agent causing the accident; and that the burden of showing the accident to have been unpreventable or that the agent was acting against his orders rests upon the defendant, being evidence to the rebuttal of the claim.

In addition to the general liability of a person for the results of his acts or omissions, the Russian code also establishes definite principles as to the limits of this liability. After the general fact of liability has been established the same compensation is due whether the act had been a criminal one or not; in other words the amount of compensation does not in any degree depend upon the nature of the act which had caused the loss. In general the compensation must be equal to the loss sustained; therefore the law requires that in case of a fatal accident the person liable for the accident shall give means of support to the widow of the deceased until remarriage, to



the dependent parents until death, to the sons until of age, and to the daughters until marriage, etc.; the person liable for the accident must cover the cost of medical treatment until recovery or death and funeral expenses, cost of support of family and dependents during illness, and a pension for life in cases of permanent, partial, or complete disability to earn a living. While the definite amounts of the pensions, depending upon the earnings of the injured or deceased is determined by the courts, the law provides that the compensation for loss of earning power must be in the form of annual payments, and, according to a senate decision, the plaintiff has no right to demand a lump-sum payment. This does not prevent a peaceful settlement by a lump sum outside of the court.

#### POLAND AND THE BALTIC PROVINCES.

The liability laws described above do not apply to the entire Russian territory, the 10 provinces constituting Russian Poland and the three Baltic provinces of Livonia, Esthonia, and Courland being exempt from the provisions of Volume X of the Russian code.

The French Civil Code is in force in Poland. Here, too, the employers' liability until 1903 was based mainly upon the general liability of a person for damages caused by his act or omission, by negligence or carelessness, or by the acts or negligence, etc., of his servants when committed in the performance of their duties. The law of 1903 provides that a contractor is responsible for the acts of his employees. This does not permit the exemption from liability because of the unpreventable nature of the accidents and the liability is better established than in the Russian code proper, the defense being that the negligence of the servant did not take place during the performance of his duties or execution of the master's orders.

A special civil code is in force in the Baltic provinces. According to this code, the employers' liability for damages sustained by his employees is also based upon the general liability laws. While the provisions are very strict in regard to the liability of a person for his personal acts only, the responsibility of a master for the act of his servant is subject to the proof of the servant's unfitness for his position. The law clearly acknowledges the doctrine of contributory negligence in denying the right to recover where the plaintiff by proper care could have prevented the accident.

It appears that the status of employers' liability throughout the greater part of the Russian Empire, as based upon the law interpreted by the senate decisions, was considerably more favorable to the injured employee than is that under English common law. The fellow-servant doctrine was unknown and the doctrine of contributory negligence had a very limited application, the Governing Senate having established by its decisions that in cases of negligence on the

part of both the employer and the injured employee the latter is entitled to partial compensation. The law provides that the compensation shall be in the form of annual payments.

With all that, the usual drawbacks of a liability system appeared. The great number of injuries due to the unavoidable negligence of the employees themselves, especially in view of the low educational standard of the Russian workman, and many other accidents, unavoidable because of the conditions of work, or caused in some way which it is difficult to explain, were necessarily left uncompensated. Even in those cases which clearly came under the provisions of the liability laws protracted litigation was necessary; but litigation was very difficult for the Russian workman and therefore settlements for small amounts were usually effected even in those cases where the liability of the employer was evident.

#### LIABILITY OF RAILROAD AND STEAMSHIP COMPANIES.

The hazardous nature of the occupation of railroad and steamship employees has in most countries brought about special legislation extending the liability of the employers in these industries for injuries to employees long before general compensation or liability legislation was adopted. This liability was established by the act of May 12 (24), 1852, which referred only to railways and to accidents happening in the movement of trains, and closely followed Prussian legislation of 1838. The law was amended and extended to steamship companies in its present form in 1878, and in this connection may be mentioned the general railroad law of June 12, 1885. In section 683 no distinction is drawn between injuries to employees and passengers or outside persons, so that the rights of the employees are not specially safeguarded, nor are they, on the other hand, less protected than those of the passengers. It is stated by Russian authorities that the law was originally passed with the view of protecting the passengers and that the employees were brought under the section of this law by judicial decisions. (<sup>a</sup>)

Section 683 provides that the proprietors of railroads or steamship lines, whether it be the Government, corporations, or private individuals, are required to compensate all persons injured or killed because of accidents in the operation of such properties, unless they can prove that the accident was (1) not due to the fault of the proprietors or their agents, or (2) that it was due to action of forces which could not be overcome—i. e., to *vis major*. It further provides that all agreements or conditions contrary to this provision are

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<sup>a</sup> *Otvietstvennost predprimateliei za uviechia i smert rabochikh*, V. P. Litwinov-Falinskii. St. Petersburg, 1900.

*Smert i uviechie pri eksploatatzii zheleznnykh dorog*, F. Osetzki. St. Petersburg, 1890.

illegal and nonenforceable; the compensation granted must be in accordance with the amount of damages sustained, and may be either in the form of a lump-sum payment or of a pension payable annually or at other intervals as the injured person might desire; further, that in case of such pensions the amount may be reconsidered and changed by the courts, upon application of either party, whenever new conditions arise justifying such a measure. The method of compensation is further regulated, according to which the person adjudged responsible for injury or loss of life must provide the cost of treatment, funeral expenses, and means of support of family until recovery, and pensions to all the dependents; but the right of demanding a pension is limited to the widow, sons until majority, and daughters until marriage.

The practical application of this law is regulated to a great extent by senate decisions. These have established (1) that by the term "operation" ("*exploitation*") should be meant not only the actual movements of the trains or steamers, but all work of the employees in connection with the railroad business. The statement of the law excepting accidents "not due to the fault of the management of the enterprise or its agents" may seem to have preserved the dependence of the right of compensation upon the employers' fault or negligence, but by numerous decisions the governing senate has interpreted this phrase to mean "due to the fault of the injured person or to that of an outsider." The burden of establishing such a fault or act of negligence is clearly placed by the law upon the employer. Thus there is no doctrine of fellow-servant. The entire responsibility for trade risk is thrown upon the employer, and the development of a doctrine of contributory negligence, of which slight traces might have been found in the exception quoted, was prevented by senate decisions clearly establishing that such contributory negligence reduces the amount, but does not altogether destroy the right of compensation. Thus only three groups of accidents remain beyond the scope of the law—those due to gross negligence of the injured, to negligence of outside parties, or to "*vis major*."

The law was amended on May 30 (June 11), 1888, to the effect that in giving judgment in favor of the plaintiff the amount of compensation paid over to the injured or his heirs by the railroad employees' pension, saving, and benefit funds must be discounted. Such benefit funds were made obligatory for all private railroad companies by the law of May 30 (June 11), 1888, while a general pension fund for the employees of the state railroads was established by an act of June 3 (15), 1894. These funds will be discussed in a later section. It may be noticed here that since obligatory contributions by the employees constitute the main source of income of these funds, this last provision throws back upon the employees the

greatest share of the burdens which, according to article 683, devolves upon the employer.

On the other hand, in case of total disability the injured employee receives a life annuity of three-fourths his annual salary. If the permanent disability be such as to disqualify him from further employment in railroad service, while permitting some other gainful occupation, then the compensation, in the form of an annuity, depends upon the length of previous service, being one-third of his annual salary for not over fifteen years of service, one-half of his salary in case of previous service of over fifteen years but not more than twenty years, and three-fourths if the injured person had been in the service for over twenty years. In case of a fatal accident the widow of the deceased employee receives one-half of the pension to which her husband would have been entitled if totally disabled. An important distinction between the ordinary systems of compensation for accidents and the activity of these pension funds is found in the provision that after death of the husband while a pensioner for disability, the widow receives a pension equal to one-half of his.

Each child surviving a fatally injured employee receives from 10 to 15 per cent of the pension he would have received if alive but totally disabled, and each child surviving a pensioner receives 10 to 15 per cent of the pension he received, the proportion differing in the pension funds of different railways; but the total amount of pensions to children must not exceed 50 per cent of the pension of the deceased, so that the family of the deceased employee may receive together an amount equal to his pension.

#### HISTORY OF THE GENERAL COMPENSATION LEGISLATION.

The problem of compensation of workmen for industrial accidents has been attracting the attention of Russian authorities as well as of the Russian manufacturers since the beginning of the eighties, and the efforts for its solution may be divided into three classes: (1) The elaboration of plans for a general comprehensive law in legislative institutions; (2) organization by the various departments of the Government of systems of compensation or insurance for special groups of workmen, mainly those engaged in state industries; and (3) voluntary efforts made by employers toward insurance of workmen, partly for humane and partly for business reasons.

The history of the legislative efforts will be discussed in the following section. The early special legislation concerning the government employees will be discussed in connection with the chapter devoted to that topic, and the history of voluntary accident insurance will also be treated separately.

Under the old régime of Russia prior to the granting of the constitution of 1905, legislative proposals were elaborated by the various

administrative departments, and presented through the Imperial Council to the Emperor for his approval. As early as 1859, and several times since, commissions were created within the Ministry of Finance for revision of factory laws which, among other things, prepared drafts of a law defining employers' liability for industrial accidents, but the plans of these commissions never reached the stage of discussion in the Imperial Council.

In the development of the principle of compensation of workmen for results of industrial accidents, a considerable stimulus was given by the employers themselves.

As early as 1881, i. e., about three years before the German system of insurance against accidents was established, the influential Society for Encouragement of Russian Industry and Commerce elaborated a plan for obligatory state insurance of workmen against accidents, which guaranteed compensation for all injuries, unless incurred voluntarily, and placed the entire burden upon the employers, i. e., the industry. The plan was presented to the minister of finance, but did not proceed any further.

In the same year the congress of mining operators in Kharkov organized a miners' aid fund. In 1893 a petition was presented by the manufacturers of Moscow for a universal compulsory system of state insurance, to be realized by a tax upon the employers, and managed entirely by the governmental authorities. This feeling was not universal, for in the same year the publication of Von Witte's plan for employers' liability legislation called forth a formal protest from the "Congress of Mine Operators of Southern Russia and Poland," which was indorsed by the Council of Iron and Steel Manufacturers' Association. The whole subject of employers' liability, workmen's compensation, and compulsory insurance received a very prolonged and thorough discussion at the Pan-Russian Congress of Commerce and Industry, held at Nizhni Novgorod in August of 1896, in connection with the Pan-Russian Exposition. Two sessions of the congress and an entire volume of its reports were devoted to the consideration of the question of workmen's insurance. The board of the Moscow bourse forwarded a resolution favoring state compensation to the workmen for injuries caused by industrial accidents by a system of compulsory state insurance, the cost to be put upon all industrial establishments, by means of a tax upon the wage expense or the number of workmen, and proportionate to the degree of hazard presented by the various industries; two other chambers of commerce presented similar resolutions, proposing, however, an equal distribution of the burden between the employer and employee.

During the discussion of the problem at the session of the congress the strong preference of the manufacturers for a system of insurance as against employers' liability strongly asserted itself, and the congress



resolved that "of the two methods of compensating workmen against accidents—workmen's insurance or a special employers' liability law—the system of insurance must be declared the more perfect one." Further, the congress resolved that "from the point of view of the interests of the employees as well as of the employers, the best method of providing for the worker disabled either through accident, sickness, or old age from earning a living would be such a system of compulsory insurance of the workers, which was not conducted for commercial profit and therefore should be placed under state supervision; it should not be limited to employees in factories and mills, but should include all workers employed in industrial activity. Should, however, the organization of a system of compulsory insurance under state supervision be found impossible in the immediate future, then it would be highly desirable that the employers make efforts to provide for insurance of their employees either in the existing private insurance companies or by organization of mutual insurance societies, the possibility of entry to which should be afforded to the proprietors of the small industrial establishments." Furthermore, the congress recognized that the existing legislation in regard to employers' liability was very deficient in that it did not conclusively establish the employers' liability for the trade risk of employment, and that for this reason private insurance must supplement existing legislation and specifically include the results of trade risk.

Thus the congress of commerce and industry recommended a material extension of the workman's rights for compensation. This recommendation may be explained by the statements made at the congress that a few heavy judgments of court in favor of the injured employees or the families of employees killed have demonstrated to the employers the preference of insurance over liability. The heavy cost of litigation was also felt by many manufacturers. Besides, with the introduction of insurance in one establishment the demand for it often spread rapidly through the whole industrial district, the workmen discriminating against employers who refused to provide for such insurance. The constant litigations were admitted to lead to strained relations between the employers and employees, which were destructive of factory discipline and efficiency. Besides, many representatives of large industrial establishments and almost all the representatives of the smaller establishments admitted that the danger of possible accidents, with the heavy burden of damages, was a disturbing factor in the calculation of cost of production, and that insurance was preferable, as it permitted an estimate of this element of cost.

Under the influence of the memorial of the Society for Encouragement of Russian Industry and Commerce, presented in 1881, the Council of Commerce and Manufactures, under the Ministry of Finance,



was charged with the duty of preparing a draft of an employers' liability law. This draft was finally presented to the Imperial Council in 1889 by the minister of finance. This was the first important effort at a solution of the problem of industrial accidents.

The plan, while it proposed to establish a fairly liberal system of compensation, similar to that of the German law, up to a pension of 60 per cent of the earnings in cases of fatal accident, and even a pension equal to the full earnings in cases of total disability, on the other hand it strictly limited the liability of the employer to cases of his well-established negligence or that of a superintendent, thus virtually establishing a fellow-servant doctrine. Another provision of the bill placed upon the plaintiff the entire burden of proof of such negligence. Thus the plan decidedly limited the rights of the workman as they existed under the general laws; far from relieving the injured workman from the expenses of a court trial, it would tend to create conditions under which the legal battles would have to be more persistent, and reduced the chances of the workman for a favorable private settlement.

The bill was therefore a step backward in the development of employers' liability and did not meet with the approval of the Imperial Council. The ministers of justice, of interior, of state domains, and of ways of communication raised objections.

This draft was referred back to the Ministry of Finance and in a few years a new draft was elaborated and introduced in the Imperial Council by the minister of finance, on March 15 (27), 1893.

This plan was in many respects much more thorough than that of 1889. It extended the liability of the employers to all accidents except those due to vis major, to actions of third parties, or to malicious intent or fault of the injured; in other words, the scope of liability was made practically equal to that of the railroad and steamship companies. The last limitation was undoubtedly an important one, but the burden of proof of the employee's fault or negligence was placed upon the employer, so that a considerable share of the trade risk was shifted, while in the plan of the bill of 1889 it rested upon the workman. Contributory negligence of the injured did not altogether relieve the employer of the responsibility, the draft providing that in such cases the courts could reduce the normal compensation by one-fourth to one-half. The plan of 1893 also applied to all employees, while the preceding project was limited to wage-workers only. Finally, it contained an important innovation in classifying trade diseases with injuries due to industrial accidents.

In the general scheme of pensions and allowances to the injured or his family the new plan followed quite closely after the old, with 60 per cent of the annual earnings of the injured as a maximum pension. It provided for peaceful agreements between both parties, from which

there was no appeal, and for suits in common courts when no peaceful settlement was possible. Yet the large opportunity for litigation was evident, especially in view of the provisions in regard to contributory negligence. On the other hand, the liberal inclusion of the trade diseases called forth strong opposition among the manufacturers of St. Petersburg.

This plan did not meet with approval and was returned to the Ministry of Finance for further changes. The demand for legislation grew with the development of industry, and the discussion showed a considerable part of the manufacturers of Russia not unfavorably disposed to some regulation of this problem. In a few industrial centers the manufacturers organized mutual companies for insurance of their employees, and the liability assumed by these companies was much broader than that imposed by the laws. The activity of the manufacturers of Riga, which will be described in a later section, was very important in that connection.

In the spring of 1899 a new legislative scheme was announced by the Ministry of Finance. This plan bore evidence of the influence exerted by the Riga Mutual Insurance Company system. In fact, section 2 of the project of 1899, which contains an enumeration of exceptions to the liability of employers, repeated word for word the corresponding section 3 of the Riga society's by-laws. It excepted injuries due to accidents caused by (1) unpreventable and unexpected external forces (*vis major*), (2) acts of outsiders, who have no connection with the management of the industrial establishment, (3) such intentional acts of the fellow-servants as are not connected with the nature of the work, and (4) malicious intent of the injured. The by-laws of the Riga society stated "gross negligence of the injured," for which the legislative plan of 1899 substituted "malicious intent," thus limiting substantially the range of excepted cases.

The law was to apply to workmen and technical employees. Only factories were covered by the bill. Workshops employing less than 15 men and no mechanical power, mines, quarries, metallurgical establishments, agricultural, structural, and transportation employees were not included. Compensation offered included besides medical treatment an allowance of 50 per cent of the daily wages for temporary disability; a pension amounting to two-thirds of the annual earnings for complete permanent disability and a proportionate sum in cases of partial disability, while the Riga society offered 75 per cent to the married victims in similar cases; in cases of death the widow and children were to receive the same rate of compensation as under the Riga system, i. e., 30 per cent of the earnings to the former and 15 to 20 per cent to the latter. The new proposal extended the right to compensation not only to dependent parents, but also to dependent grandparents, brothers, and sisters, but the maximum was the same,

and the claims of these relatives were recognized only in so far as the immediate family was not entitled to the 60 per cent maximum.

After four years consumed in the elaboration and adaptation of this plan, with vital changes, the final draft was approved June 2 (15), 1903, and went into effect on January 1 (14), 1904.

#### WORKMEN'S COMPENSATION—PRESENT STATUS.

The workmen's compensation act is entitled "Rules concerning the compensation of workmen and employees injured through accidents, as well as members of their families, in manufacturing, mining, and metallurgical establishments." It was accompanied by an extensive "Opinion of the Imperial Council" of the same date, containing amendments and modifications. Since that date many decrees and enactments in regard to this matter have been announced, and the entire law may be said to be still in the formative state.

Instructions to the factory and mine inspectors, referring to the details of the execution of the law, were approved by the ministers of finance and of agriculture and state domains on December 13 (26), 1903, and instructions to the police were issued by the central office of factory and mine inspection on March 5 (18), 1904. Instructions to physicians concerning the methods of determining the degree of disability were elaborated by the medical council of the Ministry of Interior, and approved by the latter on June 5 (18), 1904; new regulations regarding the collective insurance of workmen or the insurance of employers against their civil liability, harmonized with the new legislation, were approved by the minister of interior on December 22, 1903 (January 4, 1904).

By numerous acts the action of law was extended to various state establishments: To the workmen and civil employees of the artillery service, on June 9 (22), 1904, in effect January 1 (14), 1905; to the workmen and employees of manufacturing, mining, and metallurgical establishments of the Crown (i. e., the personal property of the Emperor and the imperial family), June 6 (19), 1905, in effect December 25, 1905 (January 7, 1906); to employees of the government printing office on December 19, 1905 (January 1, 1906), in effect July 1 (14), 1906; and of the senate printing office, March 6 (19), 1906, in effect July 1, 1906; of the navy yards, March 6 (19), 1906, in effect July 1 (14), 1906; and of the governmental industrial establishments connected with the department of ports and harbors, April 19 (May 2), 1906, in effect October 1 (14), 1906. Further extensions must follow to include all the industrial undertakings of the Government.

#### INDUSTRIES COVERED.

The application of the act is strictly limited to factories, mills, mines, and metallurgical establishments. Large sections of the working population are excluded, namely, the transportation employees

(for whom special provisions exist, partly in section 683 of Volume X, part 1 of the code, as explained above, and partly in the pension and aid funds, which will be described elsewhere), the agricultural laborers, the building trades, and the commercial employees. Factories, mines, and metallurgical establishments owned by provincial governments and municipalities are included. Specifically excluded were industrial establishments of the Central Government, the workshops and other industrial establishments of private railroad and steamship companies, but the heads of the various ministries were instructed to present within one year after the law went into effect, i. e., after January 1, 1904, plans for extension of this law with necessary modifications, to the various state industrial establishments. Accordingly the main provisions of this law were extended to various governmental establishments, namely, all factories, mines, and metallurgical establishments which are personal property of the Emperor and the entire imperial family (so-called of his majesty's cabinet and the Crown), workmen and civil employees of the artillery, the government printing office, senate printing office, navy yards, and the industrial establishments of the department of ports and harbors, this latter group including also construction work. As yet the law was not extended to transportation companies. The extension of the law to the state and crown establishments is accompanied by modifications, more or less uniform, which makes it preferable to treat these establishments separately.

The essential limitation of the law is found in the term "factory." The Russian law recognizes two classes of manufacturing establishments, factories and "artisans' shops" (*remeslennyya zavedeniya*). The latter are not mentioned in the law and therefore are not subject to it. But the definition of a factory, contained in the Russian law, is not sufficiently specific; factories and mills are stated to differ from artisans' shops in that they are large establishments using mechanical power, while artisans have none except hand machinery and tools. The decision in practice is left to administrative officers, and practically the law extends over all manufacturing establishments using machinery and mechanical power.

An exception is found in the exclusion of so-called rural industrial establishments. This includes a large class of certain small establishments located outside of city limits, namely, brick and tile yards, cement and starch factories, turpentine stills, wood distilleries, creameries, cheese factories, even if utilizing mechanical power, provided they do not employ more than 20 workmen, sawmills with only one mechanical saw, flour mills with four or less millstones, or only one rolling stone, wine presses, and a few other small rural industrial establishments.

**PERSONS COMPENSATED.**

Within the industries and establishments mentioned, the law applies to all workmen as well as to employees, such as foremen, engineers, and superintendents, whose duties bring them in contact with the processes of industry, provided their salary, inclusive of shares in profits, board or lodging, does not exceed 1,500 rubles (\$772.50). All workmen and employees excepted from the application of this law preserve the right of action under the general laws of liability, which are not available to workmen covered by the new act.

**INJURIES COMPENSATED.**

All injuries due to accidents occasioned by or on account of the work, and causing disability for more than three days or death, must be compensated, unless caused by the injured person himself either intentionally or through gross negligence, such as can not be justified by the conditions of work, while the burden of proving such malicious intent or gross negligence, which would relieve the employer from the duty of compensation is definitely placed upon the employer.

The act is broader than the plan of 1899, in one respect that it has discarded the provision excluding injuries caused intentionally by coemployees; on the other hand, it has excluded injuries caused by gross negligence of the injured, a provision which the plan of 1899 discarded when it copied the entire section from the by-laws of the Riga Mutual Insurance Company.

**BURDEN OF PAYMENT.**

The duty of compensation is placed entirely upon the employer. Subcontracting the work to a third party does not relieve the employer from the responsibility, but an order given to another independent establishment is not considered subcontracting. All agreements between employers and employees entered into before the occurrence of the accident, waiving the employees' right to compensation under this act, are illegal and not enforceable.

**METHODS OF COMPENSATION.**

Two methods of compensation are provided—allowances for temporary disability and pensions for permanent disability or death. Only those injuries which cause disability lasting more than three days entitle the injured to an allowance, but it is computed from the day of the injury. The daily allowance is equal to one-half of the actual daily earnings of the injured. In addition to this allowance the employer must either furnish the injured person with free medical treatment, or reimburse him for the cost of such until full recov-



ery, or as long as treatment is continued, at the rates charged in local governmental or municipal hospitals. This allowance and medical treatment constitute all the compensation in cases of temporary disability.

In its initial stages, i. e., until the permanent nature of the disability and its extent is determined, every case of permanent disability is treated exactly like a case of temporary disability, i. e., the injured person receives the medical treatment, and the allowance. This is followed by a pension when the permanent nature of the disability is determined. When the disability is complete, the pension amounts to two-thirds of the annual earnings of the injured. In cases of partial, though permanent disability, a smaller pension is granted, proportionate to the degree of disability. The pension follows immediately after the allowance, and when the amount of the pension is greater than that of the allowance the computed difference for the time elapsed since the day of the accident must be paid to the injured.

When the injury is fatal, or results in death within two years, or even later, but while the injured is still under treatment, the employer must pay for the funeral expenses, 30 rubles (\$15.45) for an adult and 15 rubles (\$7.72) for a minor, and provide pensions to the members of the family of the deceased, as follows:

The widow receives a pension equal to one-third of the annual earnings of the deceased until her death or remarriage; in the latter case she receives in settlement of all her claims one payment equal to three times the amount of her annual pension. The children under 15 years of age, whether legitimate, legitimized, illegitimate, or legally adopted, are each entitled to a pension equal to one-sixth of the annual earnings of the deceased, when the other parent survives, or one-fourth when both parents are dead. But when both parents are killed as a result of industrial accidents, the children receive the sum of pensions to which they are entitled because of the death of each parent. The total sum of pensions must not exceed 66⅔ per cent of the annual earnings of the deceased, and where the pensions of the widow and children, computed as above, would exceed this limit, the shares of all are proportionately reduced. But if the deceased leaves no family, or if this maximum is not claimed by the immediate family, the relatives in an ascending line, and orphan brothers and sisters under 15 years of age, are entitled to pensions of 16⅔ per cent each, or an equal share of as much as is left after satisfying the claims of the widow and children, provided these relatives had previously been dependent upon the deceased. But changes in the family, subsequent to the granting of the pensions, do not lead to a rearrangement of the pensions, with the single exception of a birth of a legitimate child.



When the deceased workman is a foreign subject only those members of the family are entitled to a pension who at the time of the accident resided in Russia.

All allowances and pensions paid under this law are exempt from any attachment, whether for taxes or private debts, and are non-transferable.

#### . LUMP-SUM PAYMENT.

The law permits substitution of a lump-sum payment for the pension of the injured or of the relatives of the deceased, by mutual agreement of both sides, provided it is computed as follows: In case of pension for disability, ten times the pension of the injured, and when the injured is under 17 years of age, ten times the pension to which he would be entitled at 17; in case of pensions to relatives of a deceased employee, the adults may receive ten times the pension, and the children as many times their pension as it has years to run, but not over ten. When such agreement is made after the payment of the pension has commenced, the amounts previously paid may be deducted, provided they do not constitute more than one-third of the lump sum. Such agreements for the substitution of a lump sum may be approved by the proper authorities, and without such approval these agreements are not binding and do not deprive the beneficiary of the right to demand additional compensation through the courts. A substitution of a lump sum is obligatory in case of injured workmen who are foreign subjects, when they or members of their families, receiving pensions, leave Russia. In compensation for all future claims a sum thrice the pension must be paid to them, unless the pension expires in less than 3 years, when a full payment for the remaining period must be made.

#### DETERMINATION OF DEGREE OF DISABILITY.

The difficulties accompanying the exact determination of the degree of disability by the permanent results of the injury became manifest in the very beginning of the application of the law, and the medical council of the Ministry of Interior was instructed to elaborate a set of rules for the guidance of the physicians. These rules were approved on June 5 (18), 1904, and published on October 29 (November 11), 1904.

TABLE FOR DETERMINATION OF DEGREE OF DISABILITY DUE TO INJURIES CAUSED BY INDUSTRIAL ACCIDENTS.

[Source: Zakony o vosnagrazhdenii rabochikh, poterpevshikh ot neschastnykh sluchaev, so vsiemi izdannyimi v ikh ispolnenie instruktsiami i administrativnymi rasporiazheniami, E. M. Dementiev, St. Petersburg, 1907.]

Disability number.	Nature of disability.	Per cent of disability.
I. HEAD.		
1	Injuries to skull, resulting in grave and permanent pathological phenomena (insanity, paralysis, epileptic attacks, loss of special senses, grave neuralgia).....	100
2	Injuries to skull, resulting in severe headaches, with decrease of muscular strength of upper extremities or less frequent epileptic attacks.....	70
3	Lighter injuries to skull, resulting in attacks of lesser severity, such as vertigo, headaches, etc.....	30
4	Concussion of the brain, resulting in headaches, vertigo, nausea, inability to bend down, or work in such a position of the body as the trade of the injured person demands....	85
5	Concussion of the brain with less serious consequences.....	60
6	Incurable mental diseases.....	100
7	Chronic partial disturbances of mental abilities (weakening of intellect, weakening of memory).....	50
II. EYES.		
8	Double (complete) loss of sight.....	100
9	Loss of sight in one eye (a).....	35
10	The weakening of eyesight is determined according to Josten's table.....	(b)
III. EARS.		
11	Complete deafness of both ears.....	50
12	Complete deafness of one ear.....	10
13	Chronic inflammation of internal or middle ear, with discharge.....	25
IV. FACE.		
14	Injuries, resulting in functional disarrangements, such as inverted eyelids, with insufficient covering of the eye, lachrymation, stricture of nasal passages and opening, contraction of mouth opening, partial immobility of lower jaw, etc.....	35
15	Injury of nasal bones, upper or lower maxilla, or other facial bones, resulting in functional derangements.....	35
V. NECK.		
16	Injury of larynx, or any other injury to the neck, necessitating constant wearing of tracheal tube.....	50
17	Loss of speech due to injury to vocal or speaking organs.....	40
18	Difficulty in speaking.....	10
19	Difficulty in breathing because of a permanent contraction of larynx.....	40
VI. CHEST.		
20	Reduction in mobility of the chest after injury:	
	Severe.....	40
	Moderate.....	20
	Slight.....	10

a Loss of sight is equal to loss of eye. Loss of one eye in absence of the other is equal to 100 per cent. By loss of sight is meant not only complete blindness but such diminution of sight that the ability is lost to distinguish the form of near objects.

b Josten's table:

S.	0.50	0.40	0.30	0.20	0.10	0.00
0.50	0.00	6.50	13.50	20.00	26.50	33.50
.40	6.50	14.50	22.00	30.00	38.00	46.00
.30	13.50	22.00	31.50	41.00	50.50	60.00
.20	20.00	30.00	41.00	52.00	62.50	73.50
.10	26.50	38.00	50.50	62.50	75.00	87.00
.00	33.50	46.00	60.00	73.50	87.00	100.00

S. stands for strength of vision; the first horizontal line of figures gives the remaining strength of one eye, and the first vertical line the remaining strength of vision of the other eye. The figure at the crossing of the two lines proceeding from the respective figures in the first horizontal and vertical lines gives the degree of loss of vision. Thus, when the vision in one eye is 0.20, and in the other 0.10, the disability is 62.50 per cent.

Besides the strength of central vision, other conditions, such as accommodation, muscular action of the eye, etc., as well as the nature of the employment of the injured, may be taken into consideration.

TABLE FOR DETERMINATION OF DEGREE OF DISABILITY DUE TO INJURIES CAUSED BY INDUSTRIAL ACCIDENTS—Continued.

Disability number.	Nature of disability.	Per cent of disability.
VI. CHEST—Concluded.		
21	Decrease of respiratory action of the lungs or of the respiratory surface, because of partial collapse, adhesions, etc.:	
	Severe.....	80
	Moderate.....	30
	Slight.....	15
22	Chronic affections of the pulmonary tissues:	
	Severe.....	100
	Moderate.....	50
	Slight.....	10
23	Organic diseases of heart, its cavities and lining (chronic myocarditis, aneurisms).....	100
VII. ABDOMEN.		
24	Chronic diseases of abdominal organs, resulting in derangement of their functions and failing of nutrition (stricture of esophagus, of stomach, of intestines, intestinal fistula, chronic peritonitis, hepatitis, etc.):	
	Grave.....	80
	Moderate.....	40
	Slight.....	10
25	Injuries of abdominal wall, interfering with mechanical work.....	25
26	Hernia (abdominal, inguinal, femoral) (a).....	25
27	Prolapse of rectum or uterus.....	25
VIII. GENITO-URINARY ORGANS.		
28	Chronic nephritis.....	50
29	Derangement of urination resulting from injuries in the region of genito-urinary organs.....	15
30	Fistula of the urethra or bladder, interfering with walking and raising of weights.....	50
31	Chronic hydrocele.....	15
32	Loss of male organ at age under 50.....	30
33	Loss of both testicles at an early age.....	50
IX. BACK.		
34	Injuries of the spinal column, resulting in objective and lasting signs of functional disturbance of the spinal cord (paralyzed extremities, incontinence of urine or feces).....	100
35	Loss of mobility of the spinal column:	
	Severe.....	50
	Moderate.....	25
	Slight.....	10
36	Ruptures and lacerations of the dorsal muscles:	
	Severe.....	40
	Moderate.....	30
	Slight.....	5
X. UPPER EXTREMITIES.		
A. FINGERS.		
a. Thumb:		
37	Loss of terminal phalanx.....	15
	.....	10
38	Loss of terminal and one-half of the first phalanx.....	25
	.....	15
39	Loss of both phalanxes.....	30
	.....	25
40	Loss of both phalanxes and the metacarpal bone.....	30
	.....	25
41	Immobility (ankylosis) of the first joint.....	15
	.....	10
42	Immobility of second joint.....	10
	.....	5
43	Immobility of both articulations.....	35
	.....	25
44	Contraction of thumb.....	25
	.....	15
b. Index:		
45	Loss of second and third phalanxes.....	15
	..... Right.....	10
	..... Left.....	10
46	Loss of all three phalanxes, with or without the metacarpal bone.....	25
	..... Right.....	15
	..... Left.....	15
47	Immobility (ankylosis) of the first joint.....	15
	..... Right.....	10
	..... Left.....	10
48	Immobility of the first and middle finger joints.....	25
	..... Right.....	15
	..... Left.....	15

a. Hernia entitles the injured person to compensation only in those cases where they are brought about by an accident (such as blow, fall, or unusual exercise of strength) which suddenly causes all objective signs of a hernia, with phenomena of strangulation, which necessitate medical assistance.

TABLE FOR DETERMINATION OF DEGREE OF DISABILITY DUE TO INJURIES CAUSED BY INDUSTRIAL ACCIDENTS—Continued.

Disability number.	Nature of disability.	Per cent of disability.
X. UPPER EXTREMITIES—Continued.		
A. FINGERS continued.		
b. Index—Concluded.		
49	Immobility of the first and last finger joints.....	Right.. 15 Left.. 10
50	Immobility of the middle finger joint.....	Right.. 15 Left.. 5
51	Immobility of the middle and last finger joints.....	Right.. 15 Left.. 10
52	Immobility of all three joints.....	Right.. 25 Left.. 15
53	Curvature of the finger.....	Right.. 20 Left.. 10
c. Middle and ring fingers:		
54	Loss of one finger with the metacarpal bone.....	10
55	Loss of the second and third phalanxes.....	5
56	Immobility of all the three joints, or the first and second joints.....	0
57	Immobility of first joint.....	10
58	Immobility of the middle joint.....	5
59	Immobility of the first and third joints.....	0
60	Immobility of the middle and third joints.....	5
61	Curvature of the finger.....	0
d. Little finger:		
62	Immobility of all three joints.....	Right.. 5 Left.. 0
63	Curvature of finger.....	Right.. 5 Left.. 0
e. Injuries to several fingers of one hand:		
64	Loss of all fingers.....	Right.. 75 Left.. 65
65	Stiffness of all fingers.....	Right.. 65 Left.. 65
66	Curvature of all fingers.....	Right.. 60 Left.. 60
67	Loss of thumb and index.....	Right.. 50 Left.. 40
68	Loss of thumb and middle.....	Right.. 40 Left.. 35
69	Loss of thumb and ring.....	Right.. 40 Left.. 35
70	Loss of thumb and little.....	Right.. 35 Left.. 25
71	Loss of thumb, index, and middle.....	Right.. 60 Left.. 60
72	Loss of thumb, index, and ring.....	Right.. 60 Left.. 60
73	Loss of thumb, index, and little.....	Right.. 60 Left.. 40
74	Loss of thumb, index, middle, and ring.....	Right.. 70 Left.. 60
75	Loss of thumb, index, middle, and little.....	Right.. 70 Left.. 60
76	Loss of thumb, middle, and ring.....	Right.. 60 Left.. 40
77	Loss of thumb, middle, and little.....	Right.. 45 Left.. 35
78	Loss of thumb, ring, and little.....	Right.. 45 Left.. 35
79	Loss of index and middle.....	Right.. 35 Left.. 25
80	Loss of index and ring.....	Right.. 35 Left.. 25
81	Loss of index and little.....	Right.. 25 Left.. 20
82	Loss of index, middle, and ring.....	Right.. 50 Left.. 40
83	Loss of index, middle, and little.....	Right.. 45 Left.. 35
84	Loss of middle and ring.....	Right.. 25 Left.. 20

TABLE FOR DETERMINATION OF DEGREE OF DISABILITY DUE TO INJURIES CAUSED BY INDUSTRIAL ACCIDENTS—Continued.

Disability number.	Nature of disability.	Per cent of disability.
<b>X. UPPER EXTREMITIES—Concluded.</b>		
<b>A. FINGERS—concluded.</b>		
<b>e. Injuries to several fingers of one hand—Concluded.</b>		
85	Loss of middle and little.....	Right.. 20 Left.. 15
86	Loss of middle, ring, and little.....	Right.. 35 Left.. 20
87	Loss of ring and little.....	Right.. 20 Left.. 10
88	Loss of index, middle, ring, and little.....	Right.. 70 Left.. 55
89	Loss of thumb, middle, ring, and little.....	Right.. 65 Left.. 50
<b>f. Injuries to several fingers of both hands:</b>		
90	Loss of all fingers of both hands, or of 9 fingers.....	100
91	Loss of both index fingers.....	50
92	Loss of thumb and index of one hand and index of the other hand.....	65
93	Loss of thumb, index, and ring or little finger of one hand and index of the other.....	70
94	Loss of all fingers of one hand except index, and the thumb of the other.....	80
95	Loss of both thumbs and indexes (a).....	85
<b>B. WRIST.</b>		
96	Loss of wrist.....	Right.. 75 Left.. 65
97	Stiff wrist joint.....	Right.. 30 Left.. 25
98	Loose wrist joint.....	Right.. 40 Left.. 30
<b>C. FOREARM.</b>		
99	Loss of forearm at elbow joint.....	Right.. 75 Left.. 65
100	Stiff elbow joint at full extension or full flexion.....	Right.. 50 Left.. 40
101	Stiff elbow joint at right-angle flexion.....	Right.. 35 Left.. 25
102	Loose elbow joint.....	Right.. 60 Left.. 50
103	Limited action of wrist.....	Right.. 25 Left.. 15
104	Limited motion in elbow and wrist joint.....	Right.. 30 Left.. 20
105	Stiffness of elbow and wrist joint.....	Right.. 60 Left.. 50
<b>D. SHOULDER AND ARM.</b>		
106	Loss of arm at the shoulder joint or between the shoulder and elbow joint.....	Right.. 75 Left.. 60
107	Stiffness of shoulder joint.....	Right.. 60 Left.. 50
108	Loose shoulder joint.....	Right.. 65 Left.. 50
109	Limited motion in shoulder joint.....	Right.. 30 Left.. 20
110	Inability to raise the arm more than into a horizontal position.....	Right.. 40 Left.. 30
111	Wrong union of fracture of shoulder blade or collar bone, if resulting in limiting the motion of arm.....	Right.. 20 Left.. 10
112	Habitual dislocation of shoulder.....	Right.. 20 Left.. 10
<b>E. HANDS.</b>		
113	Loss of both hands or wrists.....	100
<b>XI. LOWER EXTREMITIES.</b>		
<b>A. TOES.</b>		
114	Loss of big toe.....	10
115	Loss of all toes of one foot.....	25
116	Loss of heads of metatarsal bones.....	50

a In cases of loss of several fingers, or phalanxes of several fingers, the loss of the grasping surface of the four fingers put together must be taken into consideration. A loss of about one-half of that surface is equal to a loss of one-third (33½ per cent) of earning capacity. The valuation of the injuries of the hand and wrist must be much higher for workmen employed at trades which demand fine hand work.

TABLE FOR DETERMINATION OF DEGREE OF DISABILITY DUE TO INJURIES CAUSED BY INDUSTRIAL ACCIDENTS—Concluded.

Disability number.	Nature of disability.	Per cent of disability.
<b>XI. LOWER EXTREMITIES—Concluded.</b>		
<b>B. FOOT.</b>		
117	Loss of foot at the ankle joint or below it.....	60
118	Fractures of "os calcis" or tarsal bones.....	40
119	Complete immobility of ankle joint of one foot, the foot being placed at right angle to leg..	25
120	Complete immobility of ankle joint, the foot being placed in oblique angle to leg.....	40
121	Loose ankle joint.....	40
<b>C. LEG.</b>		
122	Loss of one leg.....	65
123	Complete immobility of the knee joint at extension.....	40
124	Complete immobility of knee joint at slight flexion, under obtuse angle.....	25
125	Complete immobility of knee joint at strong flexion in an acute angle, or over extended..	50
126	Loose knee joint.....	60
127	Stretched ligaments of knee joint (weakened joint).....	25
128	Fracture of patella with disarrangement of the apparatus for extension.....	50
129	Irregular union of a fracture of leg with shortening of over 5 centimeters [1.97 inches] and limited motion.....	45
<b>D. THIGH.</b>		
130	Loss of thigh.....	75
131	Complete immobility in hip joint in extension of leg.....	50
132	Complete immobility in hip joint in flexion of leg.....	60
133	Irregular union of fracture of thigh with shortening of leg of over 5 centimeters [1.97 inches] and limitation of motion.....	50
134	Failure of fracture of hip to unite (false joint).....	65
135	Loss of both legs or feet.....	100
<b>XII. UPPER AND LOWER EXTREMITIES.</b>		
136	Loss of one leg or foot, and one arm or hand.....	100

NOTE 1.—Full paralysis of extremity or a part of an extremity is assimilated to its loss; the same is true of immovable joints, cicatricial contraction, chronic ulceration, insufficient covering of bones after amputation, loss of tendons, etc., when leading to complete impossibility to use the injured extremity at work.

NOTE 2.—In injuries of lower extremities attention must be paid as to whether working is possible with cane, crutches, etc., and in all injuries as to how far the disability caused may be rectified by means of apparatus and appliances.

NOTE 3.—In multiple injuries, resulting from one accident, the estimate of disability must not be made by means of a simple addition of the numbers corresponding to individual injuries according to this scale, but with consideration for the circumstances of each case, i. e., for the resulting loss or reduction of capacity to earn a livelihood from the combined effect of all the injuries together, in connection with the general state of health and nature of employment. In no case must the estimate exceed 100 per cent.

NOTE 4.—Traumatic and other bodily injuries not mentioned in the scale must be estimated in accordance with these general considerations.

#### METHODS OF COMPUTING EARNINGS.

As the amount of the pension depends upon the annual earnings of the injured workman, the method of determination of these earnings is of importance to the efficacy of the law. The following method is prescribed by the act: The actual earnings of the person injured, as determined by the books of the concern, for the year preceding the day of the accident (or in cases when the workman has been employed less than a year, for all the time of his employment), is divided by the number of days of actual employment, and the average daily earnings thus obtained are multiplied by 260 (considered by this law the average number of working days in a Russian factory). In the case of establishments which normally are not active the whole year, the average daily earnings are multiplied by the normal number of



working days for such establishments, but to the product must be added the usual wages of a common unskilled laborer for the difference between 260 and the normal number of working days in that establishment. Where lodging constituted part of the earnings of the workman, the sum of earnings as computed above must be increased by 20 per cent, and in case of table board its actual cost must be added. In no case must the earnings so computed be less than the average wages for unskilled labor for 260 days. The same minimum must be taken as a basis where the injured workman was not receiving any wages. On the other hand, if it can be proven that the actual ordinary or normal earnings of the injured were greater than the sum computed according to the above rules, these must be taken as a basis. Thus the minimum wage is not definitely established, but is expressed as the average wages for unskilled labor. These averages are determined by the local provincial administrative offices in charge of manufactures or mining, either for the entire province or, when it is thought necessary, for separate districts of the province, every three years, and separately for either sex in the three age groups: Children (12 to 15 years), youths (15 to 17 years), and adults (over 17 years).

If the injured is under 17 years of age, his pension is computed at the basis of the wages of a youth, but recomputed according to the wages of an adult when he reaches 17 years of age; when the injured is under 15 years of age, such recomputation must take place twice, when he reaches 15 and again when he reaches 17 years of age.

#### SETTLEMENT OF CLAIMS.

In excluding cases of accidents due to gross negligence from the benefits of the law, the question of the cause of accident creates opportunity for disagreements. Even if the justice of the claim is undisputed, a great many factors evidently influence the amounts of the compensation. The actual amounts are not fixed by any administrative process; the law establishes a claim, for the proper determination of which all these provisions must be taken into consideration, but the claim is settled either by voluntary agreement or by judicial decision. It is the intention of the law to encourage the former, but in order to safeguard the interests of the workmen, such agreements must be approved by the proper authorities familiar with the law.

The following procedure is established with this object in view: Agreements between the injured person or members of his family in regard to the amount of compensation must be in writing, signed by both parties, and certified by the factory inspector. This certification is in the nature of approval, and the factory or mining inspector must refuse his certification when the agreement, in his opinion, is obviously and substantially contrary to the requirements of the law.

The original copy of the agreement remains with the factory or mine inspector, while certified copies are given to each party. An agreement thus certified is binding similarly to a private settlement before a justice of the peace

Further, the factory or mine inspector must make efforts to facilitate such agreements. If a voluntary agreement has not been accomplished, either party may petition the factory or mine inspector for his opinion as to their rights or duties in the case under the law. In such cases the factory or mine inspector may demand additional evidence and ask for a medical examination, and he may suggest the proper conditions for a settlement; but if, notwithstanding his efforts, the two parties can not be brought together, or if the inspector declines to certify to the agreement because an unjust one, he must make a written statement ("act") to that effect, stating the date of the petition, the time, place, and circumstances of the accident, the nature of the bodily injury, the degree of disability, or, in fatal cases, the cause of death, the demands and offer of the respective parties, and, finally, state his opinion as to the merits of the case, i. e., the rights of the injured or his relatives to compensation, and its amount. Both parties receive certified copies of this "act."

Cases in which voluntary settlements have failed may be brought to trial before a justice of the peace or the district magistrate (*Zemski nachalnik*).

When the injured is a minor, and not living with his parents or guardians, the local court may appoint a guardian. The factory inspectors may recommend persons for such appointment. Suits may be entered by the injured within two years after the day of the accident, and by his heirs within two years after the day of the death of the injured, as against the 10-year limit in general Russian law, but in computing this time limit, the time elapsing between entering the case with the factory inspector or district engineer and the day of furnishing the injured party a copy of the factory inspector's "act" is omitted. If both parties have come to a voluntary agreement, either oral or written, but not approved in accordance with the rules above, the injured workman or his family do not lose their right of demanding compensation in accordance with the law, even if more than two years have elapsed, and all the time during which this voluntary agreement has been effective is left out of consideration. This protects the injured or his family from any settlement which the proprietor may agree upon with the view of living up to it only within the two-year limit.

In actions instituted, claims are entered against the proprietor of the establishment, either at the place of the accident, or at the place of residence of the proprietor or at the main office of the establishment. Such action may be instituted either after carrying the case

through the office of the factory inspector, or without bringing it to the attention of this officer, but the law discourages the latter procedure by depriving the claimant in such cases of his right to receive court expenses. The same rule holds good if the court's judgment is for a compensation no greater than that offered by the defendant during the preliminary negotiations. But on the other hand the law endeavors to facilitate just claims in many ways; they are free from court fees, must be conducted under a simplified mode of procedure, the amount of attorney's fees is strictly regulated, and all contracts for excessive fees are not enforceable. Appeals against the decisions of the judges of the first instance (justices of the peace) may be had to circuit courts and higher courts of appeal; in such appealed cases the lower court, upon request of the plaintiff, may order "a preliminary award," with or without bonds. Judgments obtained from the courts under this law have a preferred claim against the property of the defendant. Private settlements of the cases brought before the court are not binding unless they have been sanctioned by the court. Private arbitration of cases under this law is prohibited, and decisions of courts of arbitration are not enforceable.

#### REVISION OF COMPENSATION.

Further reconsideration of the case is permitted within three years after the compensation has been granted or refused, if after a medical examination, ordered upon demand of either party, changes in the condition of the injured are found to have taken place. Lump-sum settlements, however, can not be changed and are not subject to revision.

#### REGULATIONS AS TO METHODS OF PAYMENT.

The allowances and pensions are paid periodically, as follows: Payment of allowances for temporary disability must be made at the same intervals as the payment of wages. The time of payment of pensions for permanent disability or death may be arranged for by both parties, but in absence of such private arrangement the payments must be made monthly in advance. At the request of the persons receiving compensation, payment must be forwarded to their place of residence at their expense.

On the other hand the pensioners must twice a year (in January and July) present to the proprietor of the establishment or to his representative certificates to the effect that they are alive, and in case of widows, that they have not remarried, such certificates to be filled out by police authorities, and unless such certificates are presented the employer may withhold the payments. Such certificates must be given by the police without fee, and are free from stamp taxes. Unless there has been cause for delay, the employer must

pay a fine for delaying the payments, equal to 1 per cent of the sum retained for each month, and when the delay has extended over more than 6 months, he may be forced to guarantee the payments in the future according to the same rules which are laid down for cases of liquidation of the enterprise.

#### SECURITY OF PAYMENTS.

Since the Russian law does not introduce any compulsory system of insurance and throws the burden of compensation upon the individual employer, the question of guaranteeing the payments is of great importance. In case of voluntary liquidation, the proprietor must either insure the beneficiaries of the pensions, to the amount of payments due, in one of the recognized insurance companies, or must turn into one of the state credit institutions a sum sufficient to meet such payments. Comprehensive tables giving the capitalized value of pensions due to the injured workmen, whether adult, youth, or child, to the widow, and to relatives in ascending and descending line, for use in securing such pensions with insurance companies, were published by the Ministry of Interior on June 25 (July 8), 1905. The factory (or mine) inspector must be notified of the liquidation, and also of the measures taken to secure the payment of these obligations. In case of death of the proprietor his obligations under this law are transmitted to his heirs. In case of voluntary transfer of ownership, these obligations may be transferred to the new owner with his written consent, otherwise the original proprietor must guarantee the payments in the future, according to the rules laid down for cases of voluntary liquidation.

In cases of bankruptcy, enforced liquidation, or public sale of the establishment, the receivers or other persons in charge must ascertain from the proprietor and from the factory or mine inspector the total obligations of the establishment under this act. A computation must be made of the total sum required to insure the payment of these obligations and such sum becomes a preferred claim upon the amount received from the enforced sale. After the liquidation has been accomplished, the factory or mine inspector must be informed as to the amount available for this purpose. He must indicate what disposition shall be made of these funds, and in what insurance or banking institutions they may be deposited.

#### ACCIDENT REPORTS AND RECORDS.

The following methods of procedure are prescribed in connection with each accident. When an accident occurs, the proprietor or manager of the establishment must immediately communicate the facts to the local police, as well as to the factory inspector or to the

mining inspector ("district engineer"). Immediately after receiving such notice the local police must send an officer to prepare a written report in presence of the proprietor or the manager of the establishment, the injured person, if he is able to be present, a physician, the eyewitnesses of the accident, and an expert on the nature of the work, or as many of the persons designated as it is possible to summon. This statement must contain information as to the place and time of the accident, the names of the injured persons, and their occupation, the names and addresses of the eyewitnesses, the name of the proprietor of the establishment, a description of the circumstances of the accident, as obtained from the statement of the eyewitnesses as well as the results of a personal examination of the place, the nature of the injuries, and the statement of the physician, if one was present, and it is signed by all persons present.

If the statement is made without a physician, one must be invited by the proprietor within 4 days after the accident, or in case of death, immediately. The physician makes a medical examination, and makes a statement either of the death, and its causation by the accident, or of the nature and extent of the bodily injury with a conclusion in regard to the probable degree of disability. Two additional copies are made both of the police "statement" and the medical certificate, and one of each is given to the proprietor or manager and to the injured person or some member of his family.

A record is kept in each industrial establishment of all injuries, with statements as to compensations paid, and all documents pertaining to the subject. All further changes in the conditions of the injured, such as recovery from the injury, or the propriety of discontinuing the medical treatment, the complete recovery from disability, the permanency of disability, and its degree, must be certified by medical certificate. The certificate of any regular practitioner is acceptable, and if his decision be unsatisfactory, the police, city or district surgeon may be called upon by either party to grant these certificates. A complete list of all accidents, with the statements and medical certificates attached, must be kept at each establishment and presented to the factory or mining inspector on demand. Failure to keep the necessary records, to give the required notice to the police, or to call in a physician subjects the proprietor or manager to a fine of from 25 to 100 rubles (\$12.87 to \$51.50).

#### FUNCTIONS OF THE FACTORY AND MINE INSPECTORS.

As shown above, the administration of the law is placed upon the factory and mine inspectors. This includes certification and approval of the voluntary agreements, explanation and interpretation of the law, and the rights and duties of all parties under it, inspection of the accident lists, determination of average wages of unskilled labor,



nominations of guardians for minors in cases to be brought to trial, certain supervision of the process of voluntary and enforced liquidations, etc. As yet the system of factory inspection has been introduced only in European Russia and four of the Caucasian provinces; no factory inspectors are provided for the remaining provinces of Caucasus, and throughout Siberia and middle Asia. In these provinces the functions of the factory inspectors are placed upon other administrative officers, known as provincial mechanics, but in view of the insufficiency of the number of these officers (only one to a province) local judges are authorized to certify and approve voluntary settlements; in addition, the injured employees or their heirs are permitted to bring their claims into court without any prejudice to their case. By a provision in the resolution of the Imperial Council, the "Central Council of Manufactures and Mines" attached to the Ministry of Finance (and since transferred to the Ministry of Commerce and Industry) was directed to prepare a set of rules and regulations for guidance of the provincial councils of manufactures and mines, of the factory or mine inspectors, or the officers acting in their places, where no factory or inspection exists, in their duties under this law. Such regulations were prepared and promulgated by the minister of finance on December 13 (26), 1903.

Complete lists of industrial and mining establishments in each district must be compiled by the factory or mine inspectors and kept on file by the provincial councils of manufactures and mining. All establishments subject to this law must be listed whether or not these institutions are otherwise subject to factory or mine inspection. Doubtful establishments must be entered in the lists, and the question of the application of the compensation act must be settled by the local council or referred to the central council in St. Petersburg, to which the proprietor of the establishment, who must be notified of its inclusion in the lists, has a right of appeal. Where there are no factory inspectors, other officers are instructed to collect the lists and furnish them to all officers who may be called upon in connection with accidents.

It is the inspector's duty to make a personal investigation of every industrial accident in his district, which takes place in an establishment subject to the compensation act, without waiting for the formal notice from the proprietor, and he must cooperate with the police to obtain all possible information. It is his duty to encourage amicable settlements between two parties; even if they had once failed to come to an agreement, as evidenced by a proper "act" of the factory inspector, and a lawsuit has been instituted, and even if the legal time limit had elapsed, nevertheless, if both parties enter a request for a voluntary agreement, such request must not be refused. If oral agreements are presented to him by both parties he



can not decline to put them in writing as a preliminary to certification. In the case of a written agreement, acknowledged by a notary, appearance of the agreeing parties is not necessary and the request for certification may come in writing.

The inspector must decline to certify settlements by which the employer tries to avoid a direct obligation imposed by the law, or the employee signs away one of his undisputed rights, but before doing so the inspector on his initiative must suggest the changes necessary to obtain certification. With the written consent of both parties he may certify to some provision of the settlements and except others. When requests are made upon the inspector by one party for explanation as to his rights, the inspector may ask the other party to appear before him, and failure to appear must be considered as a refusal to enter into a voluntary agreement.

The factory inspectors may take the initiative to petition the court for appointment of the guardian for minor claimants. In case of pending voluntary liquidation, or transfer or public sale of an establishment, the inspector must remind the proprietors, orally or in writing, of their obligations under this act, and also inform all the beneficiaries, as far as possible, of the coming change in ownership. They must also inform the official conducting such liquidation or sale, of the obligations under this law. As defined by the regulations, the duties of the factory and mine inspectors are very broad and complex. Besides being charged with almost all the details of the execution of the law, they are practically made official mediators and conciliators, upon whose work the success of the law largely depends.

#### INSTRUCTION TO THE POLICE.

Rules for the regulation of the police authorities in connection with the law were approved by the ministers of interior and of war on December 11 (24), 1903. The obligations of the police are mainly limited to making an official record of the accident as soon after its occurrence as possible and gathering at the place of its occurrence all the possible information from the eyewitnesses. These regulations to the factory inspectors and the police were also intended to materially improve the statistics of accidents.

#### INSURANCE.

While the law establishes the individual liability of the employer, and all proposals to establish a system of compulsory insurance were declared premature, the advantages of insurance were clearly recognized and the introduction of a system of compulsory insurance against accidents has only been deferred until a more propitious time. The law tends to encourage insurance not only by permitting it but also by providing that the employer may be entirely relieved from

all obligation imposed if he insures his employees in an authorized insurance company under conditions no less favorable than those secured by the law. Both private insurance companies and mutual insurance societies are authorized, but both must conform to the rules as laid down by the minister of interior on December 22, 1903 (January 4, 1904). These rules are discussed more fully in connection with the section on private insurance against accidents.

#### SPECIAL PROVISION FOR WORKMEN EMPLOYED BY THE STATE.

The industrial undertakings of the Russian Central Government have during the last two centuries been extensive, and the need of compensating the employees of these industrial establishments for results of industrial accidents was recognized many years before any steps were taken for a general law to cover private undertakings.

#### CIVIL EMPLOYEES OF NAVY-YARDS.

The workmen employed in the navy-yards and their families were among the first to be provided for in case of accidental injuries or death, by the law of October 8 (20), 1862, which remained in force until after the application of the provisions of the general compensation act of 1903 to this class of state employees. According to the law of 1862, all cases of disability or death caused by accidents were compensated without any effort to determine the fault or place the blame. The law was passed 48 years ago, and established pensions which have remained unchanged. The law preserved the distinction between masterworkmen, journeymen, and apprentices, with different amounts of pensions to each, according to the following scale:

#### ANNUAL PENSIONS GRANTED TO EMPLOYEES OF NAVY-YARDS, BY CLASSES.

[Source: Otvletstvennost predpriminatelei za uvlechia i smert rabochikh, V. P. Litwinov-Fallinskii, 1900.]

Class.	Annual pension paid to—		
	Masters.	Journey-men.	Appren-tices.
1. For total loss of sight.....	\$72. 10	\$54. 08	\$36. 05
2. Loss of life, or of two extremities, or such injury as will necessitate constant care of injured the rest of his life.....	61. 80	46. 35	30. 90
3. Loss of one extremity or such injury as will cause total disability to earn a living but does not necessitate care of injured.....	41. 20	30. 90	20. 60
4. Injury resulting in disability to continue employment in the navy-yards, but not altogether destroying ability to earn some wages, though not sufficient for support.....	30. 90	23. 18	15. 45
5. Injury resulting in disability to continue in employment in navy-yard, but leaving the victim able to earn a sufficient amount for support at some other occupation.....	20. 60	15. 45	10. 30

Pensions of the fourth and fifth groups were either permanent or temporary, depending upon the duration of disability resulting from injury. When death resulted from the injury the widow received

one-half of the full pension, as indicated above, and each of the children one-sixth, so that the full pension was granted to the family only where there were at least three children. When the children remained orphans at the death of the injured workman, each child was entitled to an equal share of the pension, but not more than one-fourth each, so that the full pension was granted only when four orphans remained. The widow was entitled to the pension until death or remarriage, provided she led a sober and moral life, or until she entered a government asylum. Male children received their pension until 14 years of age and female children until 15 years of age; but when crippled or suffering from incurable diseases, and therefore unable to earn a living, the pension was continued for life. The dependents were entitled to a pension, not only when death resulted from the injury, but in all cases of death of a workman receiving a pension. The procedure was entirely through the officers administering the navy-yards. On May 17 (30), 1904, the provisions of the law of June 2 (15), 1903, with some modification, were substituted for the law of October 8 (20), 1862, while on March 6 (19), 1906, a special act was passed.

#### STATE MINES AND METALLURGICAL ESTABLISHMENTS.

Labor in state mines and metallurgical establishments before the emancipation of serfs in 1861 was obligatory for the peasants of certain mining districts. Since 1857 the obligation of the State to care for the injured and the invalid was recognized, though the compensation was limited to 2 poods (72.2 pounds) of flour for an adult and 1 pood (36.1 pounds) of flour for a minor monthly, and money pensions varying from 1.87 to 72 rubles (\$0.96 to \$37.08) per annum for the injured workman, from 1.72 to 21 rubles (\$0.89 to \$10.82) per annum to the widow, and 1.72 to 10 rubles (\$0.89 to \$5.15) per annum to each daughter. By the law of March 8 (20), 1861, the relations between the state mines and metallurgical establishments and the peasant population of the mining districts was regulated anew, and the law provided for miners' mutual benefit societies for the care of the sick, aged, invalids, widows, and orphans. An amendment to this law stated that in case of death or disability due to an industrial accident, pensions and allowances should be paid from the treasury of the establishments. This was interpreted to mean that the old provisions of the law of 1857 were to be applied.

A suit instituted in 1894 by an injured workman led to a decision that the law of 1857 was inapplicable, and that the injured workman had a right to recover under the provisions of the general laws. A plan of a special law providing for such compensation of the employees of the state mines and metallurgical establishments was being prepared in the Ministry of Agriculture and State Domains, embodying

the modern principles of such compensation, and this plan was finally adopted with certain modifications on May 15 (28), 1901.

This act preceded by more than two years the general compensation act of 1903, and for some time in the history of the deliberations leading up to that act, served as a model. The law is still in force and is much broader than the act of 1903 in many points, so that the employees of the government mines and metallurgical establishments are the best protected against the results of industrial accidents.

One of the most important points of distinction is found in the inclusion of disability from trade diseases, for which the same pensions are paid as for injuries through accidents.

Another distinction of importance is that only such injuries and occupational diseases are excluded from the benefits of the law as have been intentionally brought about by the victim; so that negligence, even if classified as gross, does not deprive the injured person of the compensation. In case of a fatal result the widow and orphans do not lose the right to compensation, even if the fatal accident or disease had been brought about intentionally.

The general level of compensation for the permanently disabled employee, the widow or dependent widower, children or relations under ascending lines is the same as in the general law of 1903, i. e., two-thirds of the pension for total disability, and a corresponding amount, namely, two-thirds of the difference between the old and the new rate of wages, in case of partial, though permanent, disability, which permits his reemployment by the state mines at a lower rate of wages. Thus the degree of disability is judged (in distinction to the methods under the general law) primarily with reference to his employment in the same service and not with regard to his general ability to work. The difference is one of decided advantage to the employee of the state mines.

Only when the injured workman suffering from such partial disability declines an offer of employment must his pension be computed according to the degree of disability, but in no case must it then exceed one-half of the pension for total disability; that is, 33½ per cent of the average annual earnings.

The act of May 15 (28), 1901, does not concern itself with the numerous cases of transitory disability from minor accidents or ailments, because the fraternal organizations of the miners take care of that part of the problem, but in the provisions for reexamination and revision of the compensation award during the first two years after the accident and for the discontinuance of the pension in case of reestablished ability to work, account is taken of briefer periods of disability. In case of the accident resulting fatally, the pension of the widow or the dependent widower amounts to one-half of the pension for permanent disability, the children under 16 years of age

receive one-sixth of the full pension each, but not more than one-half of the full pension altogether, the pensions of orphans being double that amount. The pensions of the children run until the completion of the sixteenth year, but when permanently disabled from earning a living because of an incurable disease they may receive the pension for life. The pension to the injured is discontinued at his reemployment at the old wage, at his reception in a state hospital, at his death, at his entrance into a monastery, or at the cure of the disease. The pension of the widow, widower, or daughters stops at marriage. The pensions are not affected by any other benefits which the injured or his heirs may be receiving either from a mutual benefit fund or from the treasury because of any special law or grant.

The method of computation of wages to determine the amount of pension is also different. It is based upon the average annual earnings for three years preceding the accident, of the injured employee himself, or an employee of the same group if the injured person had not been employed this length of time.

The application of the law is very much simplified, being left almost entirely to the administration of the state mines and metallurgical establishments, the final appeal being to the Ministry of Agriculture and State Domains (now the Ministry of State Domains). The medical questions are left to the discretion of the official physician of the mining establishment.

#### LEGISLATIVE ACTS, 1904 TO 1906.

The majority of government employees are protected through an extension of the principles of the compensation act by separate enactments during the years 1904 to 1906, in accordance with the demand contained in the original law of 1903. Considerable changes were made in some of the features of the law as applied to government employees. The Ministry of War was first with a plan for the civil employees of the arsenals and other works of the artillery department. With the compensation act of 1903 as a basis, a special act was elaborated and approved on June 9 (22), 1904. All further enactments in regard to other classes of government employees refer to this act of June 9 (22), 1904, and extend its provisions, and not those of the law of June 2 (15), 1903.

On June 6 (19), 1905, a law was accepted covering employees of manufacturing, mining, and metallurgical establishments owned by the Crown and the appanages (personal property of the Emperor and of the members of the imperial family); on December 19, 1905 (January 1, 1906), the wage-workers and civil employees of the state printing office; on March 6 (19), 1906, the corresponding classes of employees of the senate printing office and the employees of the navy department; and on April 19 (May 2), 1906, employees of the



government establishments connected with the department of commercial ports. Certain additional decrees were published in connection with these laws at various dates:

(1) Instructions referring to the application of the law; for the war department on April 29 (May 12), 1905; for the employees of the Crown on April 21 (May 4), 1906; for the employees of the navy department on December 28, 1906 (January 10, 1907).

(2) Rules to determine the degree of disability for the war department on April 29 (May 12), 1905; for the navy department on December 28, 1906 (January 10, 1907); these are identical with those issued in connection with the law of June 2 (15), 1903; the same rules are made applicable to the employees of all other establishments covered by these laws.

(3) Rules for medical examination of new appointees, with lists of diseases completely or conditionally disqualifying applicants for appointment: In the war department, April 29 (May 12), 1905; for the establishments of the Crown, December 16 (29), 1905, (practically identical with those of the war department); for the senate printing office, June 20 (July 3), 1906, (identical with those of the state printing office); for the navy department, December 28, 1906 (January 10, 1907), (almost identical with those of the war department).

To indicate the extent of modifications introduced in the law of June 9 (22), 1904, it is sufficient to say that of the 53 sections of the original law 17 sections remained unchanged; 18 sections were omitted, and 18 more or less modified, mostly in language, but somewhat in substance, while 14 new sections were added in place of those omitted. In general the rate of pensions and allowances remained the same, while the procedure was considerably modified, since the government industrial establishments are not subject to the supervision of the factory or mine inspectors. But in addition to these administrative details some important changes were made in the most essential provisions of the law.

Complaint has been made that the denial of compensation to workmen guilty of "gross negligence, which can not be justified by the conditions and circumstances of work," was one of the weak points of the law of June 2 (15), 1903. This exception was only partly preserved in the law of June 9 (22), 1904, concerning the employees of arsenals, which provided that when such accident results fatally the war minister may, under exceptional circumstances, allow the regular pensions to the members of the family. In all later enactments in regard to other classes of government employees all references to "gross negligence" were omitted, and only injuries intentionally self-inflicted are excepted.

No less important is the inclusion of the occupational diseases with the injuries compensated. This applies to all classes of govern-



ment employees affected by the laws passed. No definite list of trade diseases is given, but disability due to all injuries caused by the work, or resulting from it, entitles the employee to a pension. As only permanent disability or death from trade diseases is compensated, temporary allowances are not given. Death resulting from such injury entitles the members of the family to pensions under the same conditions as death from accidental injury.

This extension of the conception of accidental injury necessitated complete records of the health of each employee, obtained by means of medical examinations at the beginning of employment and also wherever an injury to health is claimed. On the other hand, to guard against the excessive payments of pensions due to injuries to health, a certain standard of health is required at the time of entering employment, and lists of diseases disqualifying from employment in the governmental establishments have been published in connection with each extension of the law to certain classes of government employees. This list includes the employees of the arsenal, the establishments of the Crown, and of the navy department.

1. Grave incurable disarrangements of nutrition, resulting from protracted and serious diseases (malaria, scurvy, etc.), or from chronic poisonings by metals, alkalis, alcohol, or other poisons.

2. All acute contagious diseases, and chronic contagious diseases during the contagious period.

3. Pronounced tubercular affections of lymphatic gland, scrofulous with swelling, hardening, suppuration, ulceration, and other tubercular affections.

4. Elephantiasis in the pronounced stages of development.

5. Leprosy.

6. Chronic rheumatism, deforming inflammation of joints with hardening, contractions, and other permanent results.

7. Leucæmia, malignant anæmia, and bleeding diathesis.

8. Addison's disease.

9. Diabetic or nondiabetic polyuresis.

10. All malignant tumors.

11. Benign tumors, when interfering with work or with the function of important organs.

12. Myxœdema.

13. Lupus vulgaris, mycosis fungoides, multiple molluscum fibrosum, pemphigus chronicus, scleroderma, prurigo, ichthyosis, psoriasis vulgaris, and other chronic skin diseases accompanied with grave disturbances of general nutrition.

14. Aggravated cases of pediculosis capitis, with ulcers and crusts.

15. Chronic ulcers of syphilitic, scurvic, or tubercular origin.

16. Chronic bone diseases, their complications and results; necrosis, caries, cold abscesses, affections of muscles, tendons, and cartilages.

17. Aneurisms of large vessels.

18. Epilepsy, hystero-epilepsy.

19. Unilateral paralysis, paralysis of one upper or both lower extremities.

20. St. Vitus' dance, paralysis agitans, and other chronic general twitching affections.

21. Chronic neuritis and neuralgia, interfering with work.

22. Diseases of spinal cord and its membranes.

23. Idiocy, insanity, and mental weakness of all stages or forms.

24. Grave forms of hysteria and traumatic neurosis.
25. Progressive muscular atrophy.
26. Basedow's disease.
27. Bronchial asthma.
28. Scars of eyelids, keeping up inflammation of cornea or conjunctiva.
29. Well defined granular conjunctivitis, with deep infiltration.
30. Well defined chronic catarrh of the conjunctiva with enlarged follicles and swelling.
31. Adhesions between the eyelids, or between either and the eyeball in one or both eyes, when interfering with sight or with the free motion of the eyeball.
32. Decrease of over one-half in the power of sight, notwithstanding correction by glasses, because of permanent changes in the eye.
33. Permanent paralysis of the motor nerves of the eyelids or eyeballs.
34. Purulent discharge from one or both ears, resulting from deep destructive affections of the middle ear.
35. Complete deafness of both ears, or such limitation of hearing that the examined workman can not hear a low voice at a distance of 1 arsheen ( $2\frac{1}{2}$  feet) and a loud voice at a distance of 6 arsheens (14 feet).
36. Loss of hearing and speech (deaf-mutes).
37. Tumors of pharynx, larynx, or nose, when subject to bleeding, or interfering with deglutition or respiration.
38. Organic diseases of larynx or trachea, interfering with speech, respiration, or deglutition.
39. Stricture of œsophagus.
40. Chronic catarrh or respiratory ducts, with failure of general nutrition; bronchiectasis and well-defined pulmonary emphysema.
41. Tuberculosis, chronic pneumonitis, and pleuritis.
42. Organic diseases of heart, pericardium, aorta, and pulmonary arteries.
43. Organic diseases of peritoneum, liver, spleen, stomach, intestines, kidneys, and other abdominal or pelvic organs, with disturbance of function and of general nutrition.
44. Abdominal hernia of any degree. (Dilatation of the inguinal canal without protrusion of internal organs is not to be considered a hernia.)
45. Prolapse of all layers of the rectum without pressure, rectal fistula, or stricture of rectum or anus.
46. Abnormal anus.
47. Diseases of the genito-urinary organs, leading to uncleanness.
48. Diseases of vertebra, curvature of vertebra columns or pelvis, when interfering with work.
49. Absence of both feet.
50. Considerable dilatation of veins, with formation of many large knots, interfering with circulation or threatening the integrity of the walls of the blood vessels.
51. Absence of one thumb, or two fingers on one hand, when interfering with work.
52. Supernumerary fingers, curvature of fingers, contractions, or other deformities, when interfering with free action of hand.
53. Prolapse of vulva and uterus.
54. Grave affections of uterus or appendages, or the cellular tissue of the pelvis, or pelvic peritoneum.
55. Pregnancy, during the last three months, and four weeks after childbirth.

A modified list, much briefer and less severe in its restrictions, is applied to the two printing offices, where much less physical strength is demanded of the employees, because of the lighter nature of the work. The list includes, briefly:

Contagious diseases, and primarily syphilis and tuberculosis; and general noncontagious diseases, especially general disarrangements of nutrition because of chronic lead, alcohol, or other poisoning; tumors, malignant or benign; all mental diseases; organic or functional diseases of the central nervous system, organic heart diseases, knotty dilations of veins and varicose ulcers; such diseases of the respiratory ducts as interfere with respiration or speech, chronic pneumonia and pleurisy; purulent bronchitis and emphysema; such digestive diseases as have produced evident disturbances of nutrition; irreducible hernia, or such as can not be supported by a truss; genito-urinary diseases which threaten to cause early working disability; diseases of the bones, muscles, joints; chronic contagious eruptions, lupus of the face; such scars, or unhealed ulcers, as limit the mobility of members, blennorheic eye infections; trachoma and conjunctival scars; decrease of the power of sight; everted or inverted eyelids; purulent otitis media; considerable decrease of sense of hearing. While the list is comprehensive, in the majority of diseases the addition of the qualifying phrase "when interfering with the performance of duties" greatly reduces the stringency of the regulations and simply establishes the rule that only men physically able to perform the work satisfactorily, and not likely to lose their working ability in the near future, may be given employment.

While the general law includes, in addition to workmen, the technical employees only, all laws in regard to government establishments include all civil employees receiving a remuneration at a rate of not more than 1,500 rubles (\$772.50) per annum.

A change of some importance consists in granting to orphans who, through illness or deformity, are incapacitated from earning a living, pensions for life instead of to the completion of the sixteenth year.

Payment of pensions for permanent disability is discontinued during the time the injured is reemployed in the same establishment if the wages paid him are not smaller than before. When such wages are smaller, the pension is equal to only two-thirds of the difference.

The pensions granted are paid irrespective of any subsidies or pensions which the pensioner may receive from the Government or anyone else.

The substitution of a lump-sum payment for the pensions is not permitted when the pension exceeds 24 rubles (\$12.36) per annum. It is the practice in private industrial establishments to agree upon lump-sum payments, but these are not considered to be in the best interests of the workmen.

The methods of administration of the laws have been considerably changed, since the government establishments are not subject to the jurisdiction of the factory or mine inspectors to whom the larger share

in the administration of the law of 1903 is intrusted. These functions are intrusted to the administrative officers of the establishments; a committee of three members is organized for this purpose with the superintendent of the establishment as chairman, who acts independently in case of emergency. Thus, notice of accident must be given and also application for pensions or allowances made to him. He also grants allowances for temporary disability, the cost of medical treatment, or the funeral expenses, unless he prefers to refer them to the committee. Cases of permanent pensions for death or permanent disability, accompanied by all documentary evidence, must be referred to the committee, which renders a written decision, giving reasons for such, and the superintendent acts upon this decision. The procedure is different from that of the law of 1903, which requires friendly agreements between both parties, while here a purely administrative order takes its place. The claimant can file objections to the decision within two months from the day of receiving notice and demand reconsideration of the case. The committee must act upon receiving such an objection, and must give an independent consideration of the case within thirty days. If still dissatisfied, the claimant may choose one of two ways: He may either carry the case to the head of the ministry in whose department he is employed or enter a suit against the Government. The use of one of these two methods prevents the employee from taking advantage of the other. Suits are entered against the Government in the name of the superintendent of the establishment. The essential feature of this system is the decentralization of the administration, with a right of appeal to the head of the department.

#### STATISTICS OF THE OPERATION OF THE LAW.

The statistical information as to the application of the law of 1903 is limited to the establishments subject to factory inspection, and then including only the cases resulting fatally or in permanent disability. These data are presented in the following six tables.

In the following table the cases wherein settlements have been effected in accordance with the law and have been certified by the factory inspectors are compared with the total number of cases registered. The percentage has increased from 37.7 per cent in 1904, to 78.8 per cent in 1905, and 90.6 per cent in 1906. This indicates a growing frequency of peaceful settlements in the office of the factory inspectors—i. e., out of courts—though the low percentage of the year 1904 may be explained by the delay in settlements, which has carried many cases over into 1905. The cases of partial disability involving small compensation, are most frequently settled peacefully and the fatal cases least frequently.

## NUMBER OF ACCIDENTS REGISTERED AND NUMBER AND PER CENT OF CASES CERTIFIED BY INSPECTORS, BY RESULT OF INJURY, 1904 TO 1906.

[Source: Ministerstvo Torgovli i Promyshlennosti. Statisticheskia Svedeniia o Resultatakh Primeneniia Zakona 2 iunia 1903 goda.]

Result of injury.	1904.			1905.			1906.		
	Cases registered.	Cases certified by inspectors.		Cases registered.	Cases certified by inspectors.		Cases registered.	Cases certified by inspectors.	
		Num-ber.	Per cent.		Num-ber.	Per cent.		Num-ber.	Per cent.
Death.....	382	105	27.5	332	197	59.3	371	228	61.5
Total permanent disability.....	70	17	24.3	59	45	76.3	60	48	76.7
Partial permanent disability....	5,783	2,228	38.5	8,196	6,524	79.6	10,296	9,446	91.7
Total.....	6,235	2,350	37.7	8,587	6,766	78.8	10,727	9,720	90.6

In the following table are shown the number of cases for which annual pensions are actually granted and those for which the capitalized value is paid instead of annual pensions. In the vast majority of cases settled (all but 8 per cent in 1906) the annual pensions have been capitalized. Such capitalization of the annual pensions is found to be particularly common in cases of partial disability (93 per cent in 1905 and 93.4 per cent in 1906) where the computed annual pension is often very low; it is agreed to in about half of the fatal cases, and in comparatively few cases of total permanent disability (31.1 per cent in 1905 and 28.3 per cent in 1906). This frequent capitalization of the pension into a lump-sum payment is considered an evil by most Russian authorities on the subject, especially in fatal cases. When the degree of partial disability is low, and the pension therefore amounts to only a few rubles a year, such capitalization is justified, but in grave or fatal cases the employer may often force the employee to agree to a capitalization by refusing a peaceful settlement on any other conditions, for such capitalization at a sum equal to ten annual payments is often very advantageous to the employer. Within recent years, however, a considerable increase in the proportion of cases leading to pensions, rather than to lump-sum payments, has been noticed. From 7.9 per cent in 1906, it has increased to 12.5 per cent in 1907 and to 17.8 per cent in 1908. This may be explained by a gradual increase in the workmen's familiarity with the provisions of the law.

The table also shows that in a great majority of cases (about two-thirds in round numbers) temporary disability allowances are granted before the degree of disability can be established.

## NUMBER AND PER CENT OF CASES IN WHICH WERE GRANTED ANNUAL PENSIONS, CAPITALIZED PENSIONS, AND ALLOWANCE FOR TEMPORARY DISABILITY, 1904 TO 1908.

[Source: Ministerstvo Torgovli i Promyshlennosti. Statisticheskie Svedeniya o Resultatakh Primeneniya Zakona 2 iunia 1903 goda. Svod otchetov fabrichnykh inspektorov za 1908 god.]

Result of injury.	Cases agreed to and certified.	Cases in which annual pensions were granted.		Cases in which pensions were capitalized.		Cases in which temporary disability allowances were granted before final settlement.	
		Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
<b>1904.</b>							
Death.....	105	55	52.4	50	47.6	20	19.0
Total permanent disability.....	17	9	52.9	8	47.1	7	41.2
Partial permanent disability....	2,228	142	6.4	2,086	93.6	1,606	72.1
Total.....	2,350	206	8.8	2,144	91.2	1,633	69.5
<b>1905.</b>							
Death.....	197	91	46.2	106	53.8	33	16.0
Total permanent disability.....	45	31	68.9	14	31.1	29	64.4
Partial permanent disability....	6,524	454	7.0	6,070	93.0	4,626	70.9
Total.....	6,766	576	8.5	6,190	91.5	4,688	69.2
<b>1906.</b>							
Death.....	228	111	48.7	117	51.3	60	25.2
Total permanent disability.....	46	33	71.7	13	28.3	30	65.2
Partial permanent disability....	9,446	628	6.6	8,818	93.4	6,841	72.4
Total.....	9,720	772	7.9	8,948	92.0	6,931	71.2
<b>1907.</b>							
Death.....	<sup>a</sup> 213	103	45.8	122	54.2	(b)	(b)
Total permanent disability.....	43	22	51.2	21	48.2	(b)	(b)
Partial permanent disability....	10,076	1,163	11.5	8,913	88.5	(b)	(b)
Total.....	<sup>a</sup> 10,332	1,288	12.5	9,056	87.5	(b)	(b)
<b>1908.</b>							
Death.....	<sup>a</sup> 199	121	59.6	82	40.4	(b)	(b)
Total permanent disability.....	42	30	71.4	12	28.6	(b)	(b)
Partial permanent disability....	9,581	1,596	16.6	7,983	83.4	(b)	(b)
Total.....	<sup>a</sup> 9,822	1,747	17.8	8,077	82.2	(b)	(b)

<sup>a</sup> In 1907 in 12 cases and in 1908 in 4 cases some dependent relatives accepted pensions and some lump sums. For this reason the additions of pension rewards and capitalized rewards gives a larger total than the number of cases. The larger total was used in computing the percentages.

<sup>b</sup> No data available.

In the following table are computed the average annual earnings, the total and average amount of computed pensions, and the average proportion of the pension to the wages. The legal rate of compensation in cases of total permanent disability is two-thirds of the annual earnings, and this proportion is upheld in practically all cases. In the fatal cases the maximum compensation allowed is two-thirds, but this maximum is evidently not reached in a great number of cases, for the average proportion is less than one-half the annual earnings.

The average pension is very low in cases of partial permanent disability. It was only 8.1 per cent of the earnings in 1906, 7.8 per cent in 1907, and 8.8 per cent in 1908. The fact that the number of cases of partial disability in 1906 was more than four times what it was in 1904 would seem to indicate that lighter injuries are being



compensated. The average is nevertheless remarkably low, when it is remembered that the minimum degree of disability practically used in the medical certificates is 5 per cent, which would correspond to a pension of 3.3 per cent, and that in the vast majority of permanent injuries the degree of disability is much higher. In fact, out of 189 classes of injuries contained in the table prepared for the guidance of the certifying physicians, only 65 were less than 25 per cent and 76 classes were 50 per cent or over.

Because of the great predominance of cases of partial disability over those of complete disability or death the grand average rate of pension in 1907 was only 8.4 per cent of the annual earnings, and in 1908 only 9.8 per cent. The average computed pension in 1908 was \$79.23 for fatal cases, \$129.72 in cases of total permanent disability, and \$14.87 for cases of partial permanent disability, the average pension for all cases being \$16.66 in 1908 as against \$15.03 in 1907 and \$15.49 in 1906.

NUMBER OF ACCIDENTS CERTIFIED, ANNUAL EARNINGS, AND COMPUTED AMOUNT OF PENSIONS, IN CLAIMS CERTIFIED BY FACTORY INSPECTORS, BY RESULT OF INJURY, 1904 TO 1908.

[Source: Ministerstvo Torgovli i Promyshlennosti. Statisticheskia Svedeniia o Resultatakh Primeneniia Zakona 2 iunlia 1903 goda. Svod otchetov fabrichnykh inspektorov za 1908 god.]

Result of injury.	Num- ber of cases certi- fied.	Annual earnings of injured.		Computed amount of pensions.		
		Total.	Aver- age.	Total.	Aver- age.	Per cent of earn- ings.
1904.						
Death.....	105	\$13,594.85	\$129.47	\$6,749.21	\$64.28	49.6
Total permanent disability.....	17	2,720.68	160.04	1,815.00	106.76	66.7
Partial permanent disability.....	2,228	344,855.20	154.78	35,116.77	15.76	10.2
Total.....	2,350	361,170.73	153.69	43,680.98	18.59	12.1
1905.						
Death.....	197	26,151.00	132.24	12,093.08	61.38	46.2
Total permanent disability.....	45	6,151.29	136.70	4,107.66	91.28	66.8
Partial permanent disability.....	6,524	1,045,205.65	160.21	96,467.43	14.79	9.2
Total.....	6,766	1,077,507.94	159.25	112,668.17	16.65	10.4
1906.						
Death.....	228	30,279.40	127.80	14,248.74	62.50	47.1
Total permanent disability.....	46	7,767.35	168.86	5,043.40	109.66	64.9
Partial permanent disability.....	9,446	1,629,094.47	172.46	131,317.46	13.90	8.1
Total.....	9,720	1,667,141.22	171.51	150,609.60	15.49	9.0
1907.						
Death.....	213	30,680.56	144.04	14,422.48	67.71	47.0
Total permanent disability.....	43	7,844.53	182.43	5,219.28	121.37	66.5
Partial permanent disability.....	10,076	1,737,267.75	172.42	135,637.06	13.46	7.8
Total.....	10,332	1,775,792.84	171.87	155,278.82	15.03	8.4
1908.						
Death.....	199	35,526.42	178.46	15,765.82	79.23	44.4
Total permanent disability.....	42	8,349.65	198.80	5,448.42	129.72	65.3
Partial permanent disability.....	9,581	1,620,283.91	169.11	142,443.03	14.87	8.8
Total.....	9,822	1,662,159.98	169.23	163,657.27	16.66	9.8

A consideration of the data of the following table, where the actual pensions paid as such are given in the first three columns, shows that the average pensions are considerably higher for the cases settled by annual pensions than for those settled by lump-sum payments. To make a comparison for 1908: The average computed pension for all fatal cases as shown by the preceding table was \$79.23, and for those cases where annual pensions were actually paid, \$89.45; while for the cases settled by lump sums the average computed pension was only \$63.36; for the cases of total permanent disability the general average was \$129.72, the average for pension cases was \$146.46, and for lump-sum cases \$87.88; for cases of partial permanent disability the general average was \$14.87, the average for pension cases \$28.17, and for the lump-sum payments \$12.21. In all groups of cases the tendency is to convert the smaller pensions into lump-sum payments, because a small pension loses its value, and a lump sum is therefore preferred. Statements are also often made that in their anxiety to get a lump sum the claimants are often willing to accept a smaller compensation.

In the absence of adequate mortality statistics the law permits the capitalization of pensions at ten times the annual value, except for such pensions as are not expected to run for 10 years; in these cases the capitalized value must be equal to the annual value multiplied by the number of years the pension has to run. The figures show that the average capitalization is actually made at that rate. The total amount paid out in lump sums in 1908 was \$1,006,305.76, while the computed value of the annual pensions for these 8,077 cases was \$103,486.42, which gives a rate of capitalization of 9.72.

ANNUAL PENSIONS PAID AND LUMP-SUM PAYMENTS MADE IN CLAIMS SETTLED BY FACTORY INSPECTORS, BY RESULTS OF INJURY, 1904 TO 1908.

[Source: Ministerstvo Torgovli i Promyshlennosti. Statisticheskie Svedeniia o Resultatakh Primeneniia Zakona 2 iunia 1903 goda. Svod otchetov fabrichnykh inspektorov za 1908 god.]

Result of injury.	Cases settled by payment of annual pensions.			Cases settled by payment of capitalized value of pensions.		
	Num-ber.	Total computed pensions.	Average pension per case.	Num-ber.	Total com-pensation paid.	Average compen-sation per case.
<b>1904.</b>						
Death.....	55	\$4,476.91	\$81.40	50	\$21,491.84	\$429.84
Total permanent disability.....	9	1,116.59	124.07	8	6,963.86	872.98
Partial permanent disability.....	142	4,743.63	33.41	2,086	304,483.40	145.97
Total.....	206	10,337.13	50.18	2,144	332,959.10	155.30
<b>1905.</b>						
Death.....	91	6,859.85	75.38	106	51,824.20	488.91
Total permanent disability.....	31	3,063.01	98.81	14	10,446.67	746.19
Partial permanent disability.....	454	14,630.13	32.22	6,070	828,455.57	136.48
Total.....	576	24,552.99	42.63	6,190	890,726.44	143.90

ANNUAL PENSIONS PAID AND LUMP-SUM PAYMENTS MADE IN CLAIMS SETTLED BY  
FACTORY INSPECTORS, BY RESULTS OF INJURY, 1904 TO 1908—Concluded.

Result of Injury.	Cases settled by payment of annual pensions.			Cases settled by payment of capitalized value of pensions.		
	Num- ber.	Total computed pensions.	Average pension per case.	Num- ber.	Total com- pensation paid.	Average compen- sation per case.
<b>1906.</b>						
Death.....	111	\$8,508.55	\$76.65	117	\$52,801.31	\$451.29
Total permanent disability.....	33	3,936.88	119.29	13	10,661.54	820.12
Partial permanent disability.....	628	20,533.87	32.70	8,818	1,103,502.57	125.14
Total.....	772	32,979.30	42.72	8,948	1,166,965.42	130.42
<b>1907.</b>						
Death.....	103	8,400.93	81.56	122	55,951.29	458.62
Total permanent disability.....	22	2,782.60	126.48	21	23,988.36	1,142.30
Partial permanent disability.....	1,163	32,211.94	27.70	8,913	1,029,322.88	115.49
Total.....	1,288	43,395.47	33.69	9,056	1,109,262.53	122.49
<b>1908.</b>						
Death.....	121	10,823.99	89.45	82	46,094.29	562.12
Total permanent disability.....	30	4,393.92	146.46	12	10,484.80	873.73
Partial permanent disability.....	1,586	44,952.94	28.17	7,983	949,726.67	118.97
Total.....	1,747	60,170.85	34.44	8,077	1,006,305.76	124.59

The usual amount of pensions and lump sums granted may be better judged from the following two tables, in which all cases of pensions and lump-sum grants for 1904 to 1908 are classified by amount and by result of accidents. It appears that in fatal cases nearly one-half of all the pensions fall between the limits \$25.75 and \$77.25, and that nearly three-fifths (58.2 per cent) are not over the latter amount. In total permanent disability the pensions are usually higher. None were less than \$25.75, 34.4 per cent were not over \$77.25, 42.4 per cent were from \$77.25 to \$154.50, and 23.2 per cent above that amount. On the other hand, in partial permanent disability nearly three-fifths (59.5 per cent) were not over \$25.75 and 84.7 per cent not over \$51.50.

The lump-sum benefits are naturally much larger, as the normal method of capitalization is by multiplication of the annual pension by ten. The average capital sum paid for a fatal case was \$478.33, a little over one-third (34.1 per cent) were compensated by not over \$257.50, a little over one-third received from \$257.50 to \$515, and less than one-third received over \$515. In cases of total permanent disability the average lump-sum compensation was \$920.08, or nearly double that for fatal cases. Only in a very few cases was the compensation less than \$515, and payments of over \$1,030 were not infrequent. These amounts represent small fortunes for Russian workmen, and that often explains the willingness to capitalize the pension.

The lump sums paid for partial permanent disability represent very small amounts, so that in a great many cases the economic use of such payments may be questioned. While the average payment represented \$124.46, nearly two-thirds (63.9 per cent) amounted to \$103 or less, and about two-fifths (40.2 per cent) to \$51.50 or less.

NUMBER, AMOUNT, AND AVERAGE OF PENSIONS PAID, BY RESULT OF INJURY AND CLASSIFIED AMOUNTS OF PENSION, 1904 TO 1908.

[Source: Ministerstvo Torgovli i Promyshlennosti. Statisticheskie Svedeniya o Resultatakh Primeneniya Zakona 2 iunia 1903 goda. Svod otchetov fabrichnykh inspektorov za 1908 god.]

Classified annual pension.	Number of cases.	Per cent.	Total amount of pensions.	Average amount of pension.
<b>Fatal cases:</b>				
\$5.15 and under.....	1	0.2	\$3.72	\$3.72
Over \$5.15 to \$25.75.....	55	11.4	1,026.11	18.66
Over \$25.75 to \$51.50.....	128	26.6	5,017.20	39.20
Over \$51.50 to \$77.25.....	101	21.0	6,269.80	62.08
Over \$77.25 to \$103.....	72	15.0	6,427.50	89.27
Over \$103 to \$154.50.....	71	14.8	8,851.98	124.68
Over \$154.50 to \$257.50.....	42	8.7	8,016.36	190.87
Over \$257.50 to \$515.....	11	2.3	3,457.56	314.32
Total.....	481	100.0	39,070.23	81.23
<b>Permanent disability cases:</b>				
Over \$25.75 to \$51.50.....	13	10.4	587.18	45.17
Over \$51.50 to \$77.25.....	30	24.0	1,938.01	64.60
Over \$77.25 to \$103.....	28	22.4	2,556.83	91.32
Over \$103 to \$154.50.....	25	20.0	2,963.18	118.53
Over \$154.50 to \$257.50.....	17	13.6	3,362.99	197.82
Over \$257.50 to \$515.....	12	9.6	3,885.00	323.75
Total.....	125	100.0	15,293.19	122.35
<b>Partial permanent disability cases:</b>				
\$5.15 and under.....	508	12.7	1,753.40	3.45
Over \$5.15 to \$25.75.....	1,863	46.8	26,503.80	14.23
Over \$25.75 to \$51.50.....	1,005	25.2	36,538.40	36.36
Over \$51.50 to \$77.25.....	337	8.5	20,881.45	61.96
Over \$77.25 to \$103.....	142	3.6	12,709.58	89.50
Over \$103 to \$154.50.....	93	2.3	11,742.92	126.27
Over \$154.50 to \$257.50.....	32	.8	5,985.06	187.03
Over \$257.50 to \$515.....	3	.1	957.90	319.30
Total.....	3,983	100.0	117,072.51	29.39
<b>Total cases:</b>				
\$5.15 and under.....	509	11.1	1,757.12	3.45
Over \$5.15 to \$25.75.....	1,918	41.8	27,529.91	14.35
Over \$25.75 to \$51.50.....	1,146	25.0	42,142.78	36.77
Over \$51.50 to \$77.25.....	468	10.2	29,089.27	62.16
Over \$77.25 to \$103.....	242	5.3	21,693.91	89.64
Over \$103 to \$154.50.....	189	4.1	23,558.07	124.65
Over \$154.50 to \$257.50.....	91	2.0	17,364.41	190.82
Over \$257.50 to \$515.....	26	.5	8,300.46	319.25
Total.....	4,589	100.0	171,435.93	37.36

**NUMBER, AMOUNT, AND AVERAGE OF LUMP-SUM BENEFITS PAID, BY RESULTS OF INJURY AND CLASSIFIED AMOUNTS OF PAYMENTS, 1904 TO 1908.**

[Source: Ministerstvo Torgovli i Promyshlennosti. Statisticheskie Svedeniya o Resultatakh Primeneniya Zakona 2 iunia 1903 goda. Svod otchetov fabrichnykh inspektorov za 1908 god.]

Classified lump-sum payments.	Number of cases.	Per cent.	Total amount paid.	Average amount paid.
<b>Fatal cases:</b>				
Over \$5.15 to \$25.75.....	2	0.4	\$25.33	\$12.67
Over \$25.75 to \$51.50.....	15	3.1	1,162.05	77.47
Over \$51.50 to \$103.....	37	7.8	4,998.05	135.08
Over \$103 to \$154.50.....	109	22.8	22,770.19	208.90
Over \$154.50 to \$257.50.....	163	34.2	61,221.93	375.59
Over \$257.50 to \$515.....	110	23.1	76,368.37	694.26
Over \$515 to \$1,030.....	41	8.6	61,617.00	1,502.85
<b>Total.....</b>	<b>477</b>	<b>100.0</b>	<b>228,162.92</b>	<b>478.33</b>
<b>Total permanent disability:</b>				
Over \$154.50 to \$257.50.....	2	2.9	434.14	217.07
Over \$257.50 to \$515.....	3	4.4	1,436.49	478.83
Over \$515 to \$1,030.....	45	66.2	33,333.00	740.73
Over \$1,030.....	18	26.5	27,361.61	1,520.09
<b>Total.....</b>	<b>68</b>	<b>100.0</b>	<b>62,565.24</b>	<b>920.08</b>
<b>Partial permanent disability:</b>				
\$5.15 and under.....	97	.3	573.52	5.91
Over \$5.15 to \$25.75.....	6,324	18.7	105,604.72	16.70
Over \$25.75 to \$51.50.....	7,187	21.2	274,980.38	38.26
Over \$51.50 to \$103.....	8,017	23.7	599,062.11	74.73
Over \$103 to \$154.50.....	4,013	11.9	508,588.39	126.74
Over \$154.50 to \$257.50.....	3,944	11.6	783,831.82	198.74
Over \$257.50 to \$515.....	3,225	9.5	1,143,982.95	354.69
Over \$515 to \$1,030.....	946	2.8	641,300.30	677.91
Over \$1,030.....	117	.3	157,646.92	1,347.41
<b>Total.....</b>	<b>33,870</b>	<b>100.0</b>	<b>4,215,491.10</b>	<b>124.46</b>
<b>All cases:</b>				
\$5.15 and under.....	97	.3	573.52	5.91
Over \$5.15 to \$25.75.....	6,326	18.4	105,630.04	16.70
Over \$25.75 to \$51.50.....	7,187	20.9	274,980.38	38.26
Over \$51.50 to \$103.....	8,032	23.3	600,244.15	74.73
Over \$103 to \$154.50.....	4,050	11.8	513,586.44	126.81
Over \$154.50 to \$257.50.....	4,055	11.8	807,036.16	199.02
Over \$257.50 to \$515.....	3,391	9.8	1,206,541.36	355.81
Over \$515 to \$1,030.....	1,101	3.2	751,001.67	682.11
Over \$1,030.....	176	.5	246,625.54	1,401.28
<b>Total.....</b>	<b>34,415</b>	<b>100.0</b>	<b>4,506,219.26</b>	<b>130.94</b>

The expenses for temporary allowances given before death ensues or the degree of permanent disability is established are shown in the following table. The average is found to be quite small, only \$17.27 per case in 1906. The total cost in 1906 was \$119,689.95. It must be remembered that this total includes only the cases certified to by the factory inspectors and does not include any cases of purely temporary disability.

## ALLOWANCES PAID FOR TEMPORARY DISABILITY BEFORE DEATH OR BEFORE PERMANENT DISABILITY WAS ESTABLISHED, 1904 TO 1906.

[Source: Ministerstvo Torgovli i Promyshlennosti. Statisticheskia Svedenia o Resultatakh Primeneniia Zakona 2 iunia 1903 goda.]

Result of injury.	1904.			1905.			1906.		
	Cases.	Amount of temporary allowances.		Cases.	Amount of temporary allowances.		Cases.	Amount of temporary allowances.	
		Total.	Average per case.		Total.	Average per case.		Total.	Average per case.
Death.....	20	\$215.36	\$10.77	33	\$496.30	\$15.04	60	\$784.42	\$13.07
Total permanent disability.....	7	239.50	34.21	29	1,917.23	66.11	30	1,167.75	38.93
Partial permanent disability.....	1,606	24,295.93	15.13	4,626	79,980.89	17.29	6,841	117,737.78	17.21
Total.....	1,633	24,750.79	15.16	4,688	82,394.42	17.58	6,931	119,689.95	17.27

The data in regard to temporary disability were not included in the report because such cases seldom come up before the factory inspectors. In fact only 75 such cases were certified in 1904, 33 in 1905, and 30 in 1906 out of a total of forty to fifty thousand cases annually. The claims for compensation for temporary disability are evidently adjusted without reference to the factory inspector.

A proportion of cases which are referred to the factory inspectors are not certified by them, either because both sides fail to reach an agreement or because the factory inspectors refuse to approve the agreement as contrary to the provisions of the law. The number of cases of the latter class were very much smaller than of the first class. Only 113 cases occurred during three years where factory inspectors on their own initiative refused to certify the agreements, while in 4,808 cases no agreement was reached.

The most frequent cause of refusal to certify the agreement was the determination of degree of disability; on the other hand, disagreements between employer and employee were caused most frequently by the question as to the right of compensation, and next to this, by the question as to the amount of compensation.

## NUMBER OF CASES LEADING TO DISAGREEMENT OR TO REFUSAL OF INSPECTORS TO CERTIFY, 1904 TO 1906.

[Source: Ministerstvo Torgovli i Promyshlennosti. Statisticheskia Svedenia o Resultatakh Primeneniia Zakona 2 iunia 1903 goda.]

Year.	Total number of cases presented to inspectors.	Number of cases wherein the cause of disagreement was—				Total cases wherein no agreement was reached.	Number of cases wherein the cause of refusal was—			Total cases wherein certification was declined.
		Right of compensation.	Amount of compensation.	Form of compensation.	Other causes.		Degree of disability.	Annual earnings.	Other causes.	
1904.....	3,071	316	237	47	27	627	10	1	8	19
1905.....	8,406	783	633	55	71	1,542	30	12	13	55
1906.....	12,438	1,446	1,009	80	104	2,639	33	1	5	39
Total.....	23,915	2,545	1,879	182	202	4,808	73	14	26	113



**APPROXIMATE COST OF THE COMPENSATION ACT TO INDUSTRY.**

While the data quoted above as to the activity of factory inspectors in adjusting claims under the compensation act do not include the entire number of accidents, they nevertheless furnish valuable material for an approximate estimate as to the financial burden which the act places upon the entire industry. Taking the average amount of pension for fatal cases, and all cases of permanent disability, total as well as partial, the total amount of pensions paid for all accidents of these classes may be computed on the assumption that the average compensation in cases not certified by inspectors was equal to the average in cases so certified.

To eliminate annual fluctuations, averages for the 3-year period, 1904 to 1906, are taken.

**NUMBER, AMOUNT, AND CAPITALIZED VALUE OF PENSIONS, BY RESULT OF INJURY,  
ANNUAL AVERAGES FOR 1904 TO 1906.**

Result of injury.	Number of cases.	Average pension.	Total pensions.	Capitalized value.
Death.....	362	\$62.38	\$22,581.56	\$225,815.00
Total permanent disability.....	63	101.54	6,397.02	63,970.20
Partial permanent disability.....	8,092	14.45	116,920.40	1,169,294.00
Total.....	8,517	17.13	145,907.98	1,459,079.80

In addition to this the cost of accidents resulting in temporary disability must be considered. For this data are available in the statistical reports concerning accidents in industry. The annual average number of days of treatment for all cases of injury during the three years, 1904 to 1906, was 1,340,868 days, which presupposes the payment of an equal number of daily allowances, or wages for 670,434 days; taking the average number of working days per annum to be 260, according to the Russian compensation act, the total sum of allowances paid must be equal to 2,579 annual wages.

From this number and the average wages the cost of temporary disability may be estimated. The average annual wages in establishments subject to factory inspection in 1904 was \$110.17, in 1905 \$105.84, and in 1906 \$119.32; and the average for 1904 to 1906 is \$111.78. The total amount paid out annually in allowances for temporary disability may be computed at \$288,280.

The average amount of the payments made annually under the compensation act may thus be estimated at \$1,747,360, which does not include the cost of medical treatment.

The total amount paid out in wages in establishments subject to factory inspection is not available, but it may be computed since the average wages for about 75 per cent of all the wage-earners are given. The average wage being \$111.78, and the average number of wage-earners about 1,678,000, the total wage expense would amount to \$187,566,840.

The proportion of the cost of the compensation act to the total wage expense is therefore equal to about 1 per cent (0.93 per cent). To this must be added the cost of medical help. The total cost of medical aid in factories in 1907 has been determined at \$4,874,052; but what share of it should be charged to industrial accidents it is impossible to determine. In view of the low rate of wages and the fairly high remuneration of medical work, the cost of medical help may equal the amount of financial assistance in cases of temporary disability. This would mean an additional charge of about 0.15 per cent, and the total charge upon industry equals only 1.08 per cent of the wage expense.

That this estimate is not far from truth is evidenced by the data in regard to the activity of mutual accident insurance companies.

In 1905 the average premium amounted to 1.46 per cent of the wage expense, and in 1906 to 1.55 per cent. If for the previous years the premiums were very much lower, it was not only because it was before the law of 1903 went into effect, but also because among the mutual associations existing before 1905, those of textile districts, with a comparatively low accident rate, were most numerous.

The average premium is higher than the computed cost. It may partly be accounted for by the added cost of administration; partly, perhaps, by the fact that the assumed cost of medical treatment in the computation was too low. With an average daily wage of ( $\$111.78 \div 260$ ) 43 cents, which gives a daily sick allowance of 21.5 cents, the cost of medical and especially surgical treatment in accidents may be much higher than that of the sick benefits, as assumed.

It may safely be said therefore that on the whole the system of compensation as established by the law of 1903 has added less than  $1\frac{1}{2}$  per cent to the wage expense of Russian manufacturing industry, and its cost to the employers is equal to about  $1\frac{1}{2}$  million dollars annually.

#### PRIVATE VOLUNTARY ACCIDENT INSURANCE.

##### COMMERCIAL COMPANIES.

Insurance against accidents was altogether unknown in Russia before 1888, when a Russian fire and life insurance company began to write such insurance. In the preceding year, 1887, the Ministry of Interior had approved the conditions under which such insurance might be written, and these became the standard rules for all other insurance companies. The main conditions imposed upon the insurance companies, in writing accident insurance for workmen, by the regulations of 1887 were as follows: The workman was insured for a definite sum against death, permanent, and temporary disability caused by accidental injury while at work.<sup>(a)</sup> Excepted from

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<sup>a</sup> Litwinov: *Otvietstvennost predprimateliei*, p. 234. Press, A. A.: *Strakhovanie rabochikh*, p. 6.

insurance were: (1) All usual diseases and their results not caused by industrial accidents, ruptures, or other injuries caused by lifting excessive weights, etc.; (2) injuries caused by vis major, by calamities such as war, illegal acts or malicious intent of the insurer (that is, the employer)<sup>(a)</sup> or of the injured employee, or injuries received in fights, quarrels, state of intoxication or insanity; and (3) injuries received outside of regular employment of the insured.

Thus the extent of application of the insurance system was nearly equal to that of the usual compensation act, though it did not prevent litigation. In case of death the total sum of insurance was to be paid to the widow and orphans; when the victim was single one-half of the sum of insurance to the parents.

Cases of permanent disability were divided into three degrees: The first degree of complete disability included the complete loss of sight, or of both arms or legs, or one arm and one leg, or complete incurable insanity, to be compensated by the full pension specified; the second degree included cases of permanent disability, with loss of one-half of earning power, such as loss of one extremity, entitling the injured to one-half of the full pension; and, third, lighter forms of injury, resulting in partial though permanent disability of lower degree, compensated by pensions of from 10 to 25 per cent of the full pension. For temporary disability the insurance company was to pay a daily allowance, agreed upon in the policy, during disability not exceeding 200 days. The pensions paid for permanent disability could be changed to a lump sum upon agreement between the insurance company and the insured (the employer).

Rossiia was a general insurance company which introduced accident insurance in Russia in 1888. Later in the same year a special accident insurance company was organized and another one in 1892; two general insurance companies began to write accident policies in 1896 and four in 1898. Altogether nine insurance companies wrote accident policies in 1903, when the new accident compensation law was passed. The number of workmen insured in these companies was as follows:

NUMBER OF PERSONS INSURED AGAINST ACCIDENT IN PRIVATE INSURANCE COMPANIES, 1888 TO 1903.

[Source: Press, A. A.: *Strakhovanie rabochikh v Rossii*, St. Petersburg, 1900. Prokopovich, S. N.: *K. rabochemu vaprosu v Rossii*, St. Petersburg, 1905.]

Year.	Number Insured.	Year.	Number Insured.
1888.....	40,196	1896.....	274,086
1889.....	70,807	1897.....	305,148
1890.....	93,432	1898.....	684,766
1891.....	106,227	1899.....	<sup>b</sup> 821,525
1892.....	117,850	1900.....	936,309
1893.....	133,952	1901.....	911,413
1894.....	152,937	1902.....	890,534
1895.....	205,274	1903.....	738,287

<sup>a</sup> In this case the injured workman would naturally preserve the right of action against the employer.

<sup>b</sup> Not including one company not reporting.

The preceding table shows that this form of meeting the liability of employers was gaining but slowly up to 1894, and began to grow rapidly about 1895. The increasing popularity of private insurance was partly due to rumors of coming new legislation for strengthening employers' liability and partly to a gradual change in the policy of the insurance companies. In the earlier years they limited their liability to the amounts of insurance specified. While this was satisfactory to the injured in the majority of cases, he frequently felt that in cases of evident fault of the employer he could recover through the regular courts, and thus the limited insurance did not altogether relieve the employer of the danger of heavy damages. Gradually the insurance companies were forced to accept the civil responsibility for the employers and the obligation to meet the cost of litigation (known in this country as employers' liability insurance). This increased the cost of insurance, which in 1890 was only 1.87 rubles (96 cents) per insured employee; in 1898, 2.83 rubles (\$1.46); and in 1903, 3.55 rubles (\$1.83); nevertheless under these new conditions the number of workmen insured increased from 205,274 in 1895 to 395,148 in 1897, to 684,766 in 1898, and 936,309 in 1900. In 1903 the number had declined to 738,287.

The decline in the total number of insured during the years 1901 to 1903 is partly explained by growth of mutual insurance and partly by the increase in rates by the companies in view of the expected promulgation of the compensation law.

According to the special report here quoted, 600,000 out of the 685,000 insured in 1898, or about 88 per cent of the workmen insured, were employed in manufacturing and mining industries; and as the total number of workmen employed in these industries at that time numbered 2,120,000, it follows that 28.2 per cent of all the workmen were insured. The percentage was still higher in some branches; thus in the iron and steel industry it was 30.9 per cent, in the flour-milling industry 35.6 per cent, in the textile industry 36.3 per cent, in the woodworking industry 48.3 per cent, in the chemical industry 53.6 per cent, and in the oil industry 62.0 per cent. In most hazardous industries, then, the percentage of insured was from one-third to two-thirds of all the employees. The situation was less favorable in the mining industry, where only 10.5 per cent of the workmen were insured. From 1898 to 1900 the number of persons insured increased 36.7 per cent, so that by the end of the nineteenth century about two-fifths of all the employees enjoyed the protection of accident insurance.

The average number of workmen per establishment subject to factory inspection in Russia in 1898 was 56; for the establishments carrying the insurance the average was 148, almost three times as

great. This indicates that the greatest share of insurance was carried by large establishments.

The statistical information concerning private insurance is not complete. In fact, little is available besides the special report prepared by the Ministry of Finance for the Paris Exposition of 1900, which brings the data down to 1898 only.<sup>a</sup>

Two forms of accident insurance are recognized in this report—the collective form and the individual form. Under the latter form individuals privately contract for accident insurance and pay the premium, while under collective insurance the employer contracts for insurance of his employees. The individual form of accident insurance is therefore of little importance from the point of view of workmen's insurance, and is quoted here only because certain data are stated for both forms of insurance combined.

The number of persons insured collectively against accidents in private insurance companies increased from 40,196 in 1888 to 684,766 in 1898, the amount of insurance against death outstanding at the end of the respective years being \$14,498,051 in 1888 and \$235,358,916 in 1898. During this same period the amount of insurance against permanent disability increased from \$15,315,407 to \$319,916,038. While this average amount per person of the insurance against death has decreased from \$361 in 1888 to \$344 in 1898, the average amount of insurance against permanent disability has increased during this period from \$381 to \$467. The premiums received increased from \$27,997 to \$998,147.

The amount of insurance carried by the employer for each workman was not high. It depended upon the wages of the latter, and the usual policy called for 800 or 1,000 times the daily wage of the workman in case of death and 1,000 to 1,500 times the daily wage in case of total permanent disability. This means three to four times the annual earnings in case of death, and 4 to 6 times the annual earnings in cases of total permanent disability. As was shown above, in case of death of the injured person, the actual sum of insurance was paid; while in cases of permanent disability the whole sum (or a part of it, depending upon the nature of the disability) served as a basis for a calculation of a life pension or annuity, the amount of such annuity depending upon the age of the injured workman.

The average sum of insurance against death varied from \$336 to \$381, and for total permanent disability from about \$381 to \$467. These rates of compensation do not appear to be high, but this may be partly explained by the general level of wages in Russia. For the last decade of the nineteenth century the average wages of an industrial worker (men, women, and children) is stated in an official

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<sup>a</sup> A. A. Press: *Strakhovanie robochikh v Rossii*, 1900.



report<sup>(a)</sup> to be equal to 187.60 rubles (\$96.61); according to the factory inspectors' reports for 1900 to 1904 the annual earnings were as follows:

AVERAGE ANNUAL EARNINGS OF WORKMEN IN RUSSIA, 1900 TO 1904.

Year.	Average annual earnings.
1900.....	899.95
1901.....	103.64
1902.....	104.27
1903.....	111.77
1904.....	109.03
Average.....	105.73

An average earning power of about \$105 per annum gives an average daily wage of approximately 35 cents; the average compensation for death contracted for by the employers amounted to about \$350, or 1,000 times the daily wages, and the average compensation for permanent disability was about \$450 or about 1,200 to 1,300 times the daily wage. The pension for permanent disability varied from about 5 to 10 per cent of this sum, depending upon the age of the injured, and so may be estimated at from \$22 to \$45 a year. Small as these compensations were, the system of insurance on a whole was more liberal to the workman than the then existing legislation. An official report upon the activity of the insurance companies in this line stated that "industrial conditions have advanced ahead of existing legislation which does not any more meet the demand of actual life."

The number of persons insured individually against accidents in private insurance companies increased from 1,148 in 1888 to 15,171 in 1898, the amount of the insurance against death at the end of the respective years being \$5,198,956 in 1888 and \$41,652,216 in 1898, and the insurance against permanent disability \$6,220,654 in 1888 and \$50,770,406 in 1898. The average amount of the death insurance per person decreased during this period from \$4,529 to \$2,746 and that of the permanent disability insurance from \$5,419 to \$3,347. The amount of premiums received increased during the ten years from \$24,593 to \$181,598, the average premium per person being \$21.42 in 1888 and \$11.97 in 1898. These figures show that the individual accident insurance included few persons of the working class.

The total amount of premium received and the benefits paid by the insurance companies as well as the other expenses of the companies in connection with accident insurance and the surplus remaining, are stated for both forms of insurance combined. The amount of benefits paid under the two forms of insurance has increased from \$17,947 in 1888 to \$585,548 in 1898. The expenses of the insurance companies

<sup>a</sup> Strakhovanie rabochikh v Rossii, 1909. A. A. Press.



other than for benefits, amounted to \$275,204 in 1898. The reserve surplus and profits for 1898 was \$318,994, or 46 cents per capita.

The business of accident insurance evidently was fairly remunerative, and the total profits were rapidly growing, amounting for the entire decade to nearly \$900,000, notwithstanding the very high expenses for commission to obtain business (over \$560,000) and for administration (nearly \$500,000). Thus for the eleven years for which the statistical data are available \$3,859,871 was received as premiums for insurance, while only \$1,861,289 or less than one-half was used for actual compensation of the injured employees.

While with the increase of the volume of business the average per capita charge for administration had declined materially during the ten years, 1889 to 1898, the cost of commission for obtaining new business has shown a slight increase. There was a decline in the total per capita expense, from 90 cents in 1889 to 39 cents in 1898, and apparently the greater part of it appears in the increased per capita benefits paid to the injured employee. The per capita amount of compensation increased from 44 cents in 1889 to 84 cents in 1898, while the profits of the insurance companies which were high in the earlier years declined considerably. Under the influence of competition from newly organized accident insurance companies, the proportion of the premiums paid to the insured in benefits increased from 21.6 per cent in 1889 to 49.6 per cent in 1898. In 1898 the expenses other than for benefits were 23.4 per cent of the premiums and the surplus 27 per cent.

The average premiums increased with the increase of the sum of insurance and also with the assumption by the companies of the civil liability of the employers from \$0.70 per workman in 1888 to \$1.46 per workman in 1898. Assuming the average wages for these 10 years to have been about \$105, the average rate of insurance increased from seven-tenths of 1 per cent to about 1.4 per cent of the wage expense; it was considerably higher in some industries, as for instance in mining, which perhaps explains the small number of miners insured. This excessive cost of private insurance was mentioned as an argument for compulsory state insurance during the deliberations of the Congress of Commerce and Industry in 1896. It was also claimed that in actual practice private insurance did not prove as favorable to the employees as in theory, the insurance companies often forcing the injured workman to accept a very low compensation.

New regulations for insurance companies, issued after the act of June 2 (15), 1903, went into effect, provide substantially that the insurance company shall assume all the duties and responsibilities under the law of June 2(15), 1903, in consideration of the payment of a premium, agreed upon between the insurance company and the employer, in terms of a definite percentage of the latter's wage expense. It was the avowed purpose of the law to stimulate the insurance of

the employers' obligations under the law, although such insurance was not made obligatory. Rules for the regulation of such insurance were issued by the minister of interior on December 22, 1903 (January 4, 1904).

The insurance company may decline to accept any insurance without stating its reasons for so doing. The employer must furnish the insurance company with an exact account of its wage expense, including the expense for board and lodgings of the employees and other forms of remuneration for work. Such a contract relieves the employer of all responsibilities according to the law, the insurance society assuming all such responsibilities; it receives information of all accidents, and must meet its obligations without delay; and it makes agreements with the injured or members of their families. Whenever the accident is due to the fault of the insured employer, as established by the courts, this does not relieve the insurance company of its responsibility to the injured employee; but the insurance company may recover the cost of the compensation and pensions from the employer. Such insurance may be organized with participation of the insuring party in the profits, and then 75 per cent of the profits must be redistributed among the insured employees according to the amount of annual premiums paid. This was a modification of the plan of collective insurance.

Another form of insurance is also recognized, known as "insurance of employers' liability." This is a combined form of insurance, as it covers both the liability under the new law of 1903, and under the general civil laws when the new law is not applicable. Under this form of insurance the obligations of the insurance company are toward the employer and not toward the injured employee, and the obligations of the employer toward the workmen are not transferred by law. The agreement as to the amount of compensation is made between the employer and employee, but in presence of a representative of the insurance company, and the amount of the compensation agreed upon is binding upon the insurance company only when approved by its representatives; otherwise the insurance company assumes obligations only up to the amount approved by its representatives. It is evident that under such contract the employer will rarely agree to anything not acceptable to the insurance company. If, therefore, an amicable settlement is found impossible, the insurance company assumes all obligations which may be imposed upon the employer by a court of law, provided, however, that the insurance company is not responsible if the accident was due to the criminal negligence of the employer, as established by the verdict of the court. The obligations of granting medical assistance are not assumed by the insurance company.

This is a form of insurance of the employer rather than of the employee, and it does not fulfill the requirements of the compensation act in regard to insurance of workmen. These conditions somewhat approach the form of insurance proposed by the St. Petersburg Mutual Insurance Society, which failed to receive the approval of the Government in 1898.

From the first day of the application of the new law serious difficulties arose between the employers and the insurance companies. The law clearly meant an important extension of the rights of the employees, which was equivalent to an increased burden upon industry. But there were no definite data by which the cost of this law to industry could be determined, for the available statistics of accidents in Russia were for only one year and were incomplete. Insurance seemed the only way for the manufacturers to protect themselves from excessive losses; but in view of the increased amount of compensation as compared with that paid by the private insurance companies prior to 1903 the insurance companies were uncertain and the rates quoted to manufacturers for insurance were very high, being for some industries 10 or even 14 per cent of the wages. A concerted movement was started among employers to obtain from the Government some delay of the date of enforcement of the law; petitions to that effect from the mining operators and metallurgical establishments of the south, the iron and steel manufacturers of the Baltic Provinces and the north, and from the manufacturers' association of St. Petersburg. But all these petitions were declined by the authorities, and the law went into effect on June 1 (14), 1904.

Two courses were left open to the employers who objected to the excessive rates quoted by the private insurance companies: Either to take the risk upon themselves and carry no insurance, or to organize mutual insurance companies. In the beginning a majority of employers preferred the first course, while the larger establishments organized private insurance funds for themselves. The experience of some industries during the first year established the fact that the cost was far below the estimates of the private insurance companies.

As a result the amount of private accident insurance rapidly fell since 1903. Unfortunately it was impossible to obtain complete data in regard to the activity of all private accident insurance companies since the enactment of the law. But the tendency is sufficiently clearly demonstrated by the data in regard to the insurance company "Rossiia," which was the leading accident insurance company in Russia. In 1898 356,179 wage-workers out of a total of 684,766 insured, or 52 per cent, were insured in "Rossiia." In the year 1905 there were only 87,015 persons insured, being a decline of 75 per cent in 8 years. The number of persons insured under the collective form in this company for the 7 years 1900 to 1906 is shown, together with

the amount of insurance carried, in the following table. The decrease is seen to have been over 80 per cent. The decline began as early as 1901, when the probability of some law granting compensation to injured workmen became strong, and because of the growth of mutual insurance. From 1902 to 1903, when the law was passed, the decline was 22.2 per cent, or nearly one-fourth. In 1904, when the law went into effect, the decline was almost one-half.

NUMBER OF PERSONS INSURED AND TOTAL AND AVERAGE AMOUNT OF INSURANCE AGAINST ACCIDENTS UNDER THE COLLECTIVE ACCIDENT INSURANCE OF THE ROSSIA COMPANY, 1900 TO 1906.

[Source: Assurance Compass, 1906, p. 564.]

Year.	Number Insured.	Amount of insurance against—					
		Death.		Permanent disability.		Temporary disability (per day).	
		Total.	Average.	Total.	Average.	Total.	Average.
1900.....	454,612	\$158,637,474	\$349	\$229,136,323	\$504	\$76,804	\$0.17
1901.....	402,144	138,236,612	344	201,568,836	501	61,615	.15
1902.....	359,937	127,716,166	354	187,778,597	522	57,438	.16
1903.....	279,919	96,578,910	345	143,114,424	511	39,523	.14
1904.....	137,351	117,137,543	853	100,953,297	1,172	22,905	.17
1905.....	87,015	63,975,809	735	90,639,701	1,042	11,544	.14
1906.....	86,766	60,972,914	687	86,529,662	975	11,161	.13

EMPLOYERS' MUTUAL ACCIDENT INSURANCE ASSOCIATIONS.

A movement toward mutual accident insurance appeared among the more progressive manufacturers in the middle of the nineties, simultaneously with the growth of private insurance. The Riga plan was the first outgrowth of this movement.

The authorization by the Ministry of Finance of the by-laws of the "Riga Society for Mutual Insurance of Manufacturers and Artisans against Accidents to their Workmen and Employees" in January, 1898, marked a definite step toward progress. A plan of a mutual insurance company was also elaborated by the manufacturers of Odessa which was more liberal than the Riga plan, but after the approval of the Riga plan by the Government the Odessa employers accepted its by-laws for their own organization.

The Riga society, though a purely voluntary association, considerably influenced further legislation, and therefore deserves special consideration. In addition, as an organization of the employers only, it extended its liability, i. e., the liability of employers, beyond the limits established by law and most favorable judicial decisions. The society undertook to conduct the defense, in all cases where a lawsuit had been instituted, and to meet the burden of a judgment. While this determines the responsibility of the society toward the employers, the by-laws separately stated the obligations toward the employee,

which were wider than those imposed by the law, or even by the private insurance companies. According to section 3, all injuries to workmen and employees were to be compensated unless caused by—

1. Unpreventable and unexpected external forces (*vis major*);
2. By acts of third parties, having no connection with the industrial establishment;
3. Such intentional acts of the fellow-servants as are not connected with the nature of the work;
4. Gross negligence of the injured.

The burden of proof that any of these conditions existed was placed upon the society. Roughly, then, the by-laws of the Riga company excluded injuries due to "*vis major*," to gross negligence, and to willful misconduct of employees or strangers. By this exclusion the protection granted extended not only to all cases where negligence of the employer or fellow-employee could be charged, but also to all cases of normal trade risk, to which the vast majority of industrial accidents is due; and not even contributory negligence of the injured deprived him of the right to compensation. As was shown above, this entire section went into the governmental plan with the one change of "*gross negligence*" for "*malicious intent*." The amounts of compensation being definite, there was no occasion for striking any bargains; but the workman not being a direct party to the contract, nothing could interfere with his effort to obtain a remedy under the old laws of civil responsibility. For permanent complete disability a life pension was given, amounting to the last year's earnings when not over 240 rubles (\$123.60); 66 $\frac{2}{3}$  per cent of the last year's earnings to single men or to women, and 75 per cent to married men, but in any case not less than 240 rubles (\$123.60) when the last year's earnings were over that amount. In case of death resulting from the injury within one year after the accident the widow or dependent widower was entitled to a pension amounting to 30 per cent of the last year's earnings, to be paid until death or remarriage; to each child until 15 years of age, 15 per cent if one parent survives, and 20 per cent if neither survives, and to the dependent parents 15 per cent each; the total amount of the pensions not to exceed 60 per cent of the annual earnings, and the shares of all the participants to be reduced accordingly. Temporary disability lasting more than 5 days entitled the injured to an allowance equal to one-half of the daily earnings, or more, in the discretion of the society.

The compensation system of the Riga society was more liberal than that of the law of 1903, because it granted a pension of 100 per cent in cases of complete permanent disability where the annual earnings were less than 240 rubles (\$123.60) and a minimum pension of 240 rubles (\$123.60) where the earnings were larger than 240 rubles (\$123.60), while the law of 1903 allows only 66 $\frac{2}{3}$  per cent of the earn-



ings. This may easily be explained, however, by the fact that in a law intended for the entire Russian Empire the minimum wage could not be as high as for the modern industrial center like Riga, where the wages are considerably higher than in the east. It was shown in a preceding section that the average wages for the entire country were considerably below 240 rubles (\$123.60). The Riga mutual insurance society began its operations in 1898 with a little over 3,000 employees insured. The Odessa society, organized under the same by-laws, began its operations in 1900, and another society was formed in the textile center Ivanovo Vosnesensk in 1901. The total number of employees insured in these mutual insurance companies in 1900 was 16,429; in 1901, 29,048; and in 1902, 76,046. The three mutual insurance societies named above existed in Russia before the adoption of the law of 1903. When the rules for collective insurance were promulgated by the minister of interior these three societies were provisionally permitted to continue their activity under these new rules. Similar mutual insurance companies rapidly sprang up in other industrial centers, some of them territorial associations of employers of various industries, others combining scattered establishments in one definite branch of industry.

The Kieff mutual accident association began its operations in September, 1904, the Moscow, St. Petersburg, Warsaw, Odessa, and Kieff sugar manufacturers' association in 1905, the Bielostok and Einseisk associations in 1906. Similar associations have been established since then in Vilna, Lodz, Tzaritzin, and other industrial centers.

As examples of industrial mutual companies, may be mentioned the Mutual Accident Insurance Society of Einseisk, organized in November, 1905, by the association of the gold mine operators of the Einseisk mining region, and the "Black Sea Shipowners' Mutual Association for Insurance Against Accidents to their Employees," organized in Odessa in August, 1905. Of these two, the former includes some establishments to which the law of 1903 is applicable, and others still subject to the general provisions of the civil law; and the society insures against liability under either, according to the general regulations of the minister of interior for such insurance. While the by-laws of each of these mutual societies must be specially approved by the Ministry of Interior, yet with very few minor exceptions they are modeled after one uniform plan. Participation in these societies is altogether optional, and may be canceled at will. The societies are permitted to reinsure their risks; they are also permitted to write accident insurance for individuals, and also insurance against liability for injuries sustained by persons who are not employees. The management of the society is intrusted to a board of directors, elected by the members; the latter have a vote if they insure at least 10 employees, and one additional vote for each 100 employees, but



not over 5 votes to each employer, or his proxy. The determination of the rate of the premium, which must vary with the nature of the industry, is left to the general meeting of the members. All establishments' manufacturing explosives are excluded. Any other industry or establishment may be denied admission by the general meeting of the members. When the premiums collected are not sufficient to cover the liabilities incurred by the societies, the members may be assessed in proportion to the premiums they pay.

In Riga, where the first employers' mutual accident insurance society was organized in 1898, a new mutual society was formed in 1906 by proprietors of commercial, building, and construction enterprises, some rural industrial establishments, and similar firms which do not come under the action of the law of 1903, for insurance against civil liability; but the important feature of this society is that it offers to the employees a system of compensation "according to the regulations of the law of 1903." This is a direct voluntary extension of the law, to establishments specifically excepted from it, by the employers who prefer the obligations of the law of 1903 to the cost and results of litigation.

A somewhat similar condition is found in the Black Sea Shipowners' Mutual Association, above mentioned. As was pointed out previously, the law of 1903 does not apply to shipowners, which are subject, together with the railroads, to the special law of the civil code. This society obligates itself to pay compensation for all accidents, unless due to the malicious intent or gross negligence of the injured. Its scale of compensation is more liberal than that of the law of June 2, 1903. In case of complete permanent disability it pays 66 $\frac{2}{3}$  per cent of the actual annual earnings to a single person and 75 per cent to a married person, but in no case is the pension for total permanent disability to be less than 240 rubles (\$123.60). A proportionate part of this pension is given for partial disability. The scale of pensions in case of fatal accidents is the same as in the law of 1903. The allowance in case of sickness is 75 per cent of the daily earnings (and not 50 per cent, as in the compensation act), and may be increased to the full daily earnings, in consideration of special circumstances. The comparatively favorable conditions of this system of insurance are said to be due to the great demand for labor in Odessa.

The rapid growth of insurance of workmen in such mutual employers' associations is shown by the following table, from which it appears that the number of wage-workers insured has increased from 76,046 in 1902 to 311,689 in 1906, or more than fourfold in four years.

NUMBER OF SOCIETIES, PERSONS INSURED, WAGES OF INSURED, AND PREMIUMS PAID IN EMPLOYERS' MUTUAL ACCIDENT INSURANCE SOCIETIES, 1898 TO 1906.

[Source: Soviet Slesda Gornopromyshlennikov Inga Rossii. Zakonoproekty po Stkakhovanlu rabochikh. Kharkov, 1908.]

Year.	Number of active societies.	Number of persons insured.	Total wages of insured.	Annual premiums.		
				Amount.	Per person insured.	Per cent of wages.
1898.....	1	13,728	(a)	\$15,773	\$1. 15	(a)
1899.....	1	17,000	(a)	33,046	1. 94	(a)
1900.....	1	25,156	(a)	45,045	1. 79	(a)
1901.....	2	27,831	\$3,861,608	42,786	1. 54	1. 11
1902.....	3	76,046	(a)	59,458	. 78	(a)
1903.....	3	94,403	8,558,292	75,982	. 80	. 89
1904.....	4	158,304	15,701,683	180,494	1. 14	1. 15
1905.....	8	258,033	28,065,587	409,618	1. 50	1. 46
1906.....	10	311,689	35,313,308	547,001	1. 75	1. 55

\* No data available.

The average amount of premiums per person insured is subject to fluctuations, which may be explained, however, by the differences in the compensation of the total number insured. In other words, the data for different years are scarcely comparable in any strict way, because each of the associations covered different industries, with different accident rates, different wage levels, etc. As the number of associations and the number of persons covered increases, the averages become more valuable; the increase in both averages shown (per person insured and per \$100 of wages) in 1904 is easily explained by the effect of the law, and for 1906 we find an average premium of a little over 1½ per cent of the wage expense, which corroborates the computation made on page 2137. For the separate mutual associations the data are more comparable from year to year. They are shown in the following table:

NUMBER OF PERSONS INSURED, WAGES OF INSURED, AND PREMIUMS PAID IN EMPLOYERS' MUTUAL ACCIDENT INSURANCE SOCIETIES, FOR SPECIFIED YEARS, BY SOCIETIES.

[Source: Soviet Slesda Gornopromyshlennikov Inga Rossii. Zakonoproekty po Stkakhovanlu rabochikh. Kharkov, 1908.]

Society.	Number of persons insured.	Total wages of insured.	Annual premiums.		
			Amount.	Per person insured.	Per cent of wages.
Riga Mutual Association:					
1898.....	13,728	(a)	\$15,773	\$1. 15	(a)
1899.....	17,000	(a)	33,046	1. 94	(a)
1900.....	17,210	(a)	33,193	1. 93	(a)
1901.....	20,280	\$3,014,304	30,025	1. 48	1. 0
1902.....	22,848	3,285,029	35,017	1. 53	1. 1
1903.....	27,902	3,466,945	45,161	1. 62	1. 3
1904.....	57,223	6,907,178	121,468	2. 12	1. 8
1905.....	58,628	8,766,330	159,235	2. 72	1. 8
1906.....	63,681	8,661,662	182,341	2. 86	2. 1

\* Not reported.

NUMBER OF PERSONS INSURED, WAGES OF INSURED, AND PREMIUMS PAID IN EMPLOYERS' MUTUAL ACCIDENT INSURANCE SOCIETIES, FOR SPECIFIED YEARS, BY SOCIETIES—Concluded.

Society.	Number of persons insured.	Total wages of insured.	Annual premiums.		
			Amount.	Per person insured.	Per cent of wages.
Odessa Mutual Association:					
1900.....	7,946	\$825,397	\$11,853	\$1.49	1.4
1901.....	7,551	847,393	12,761	1.69	1.5
1902.....	7,178	933,347	13,218	1.84	1.4
1903.....	6,930	937,038	12,817	1.85	1.4
1904.....	6,694	962,366	22,659	3.38	2.4
1905.....	7,191	1,045,624	25,618	3.56	2.5
1906.....	7,372	1,040,114	26,233	3.56	2.6
1907.....	7,556	1,069,592	24,935	3.30	2.3
Ivanovo Vosnesensk:					
1902.....	46,020	(a)	11,224	.24	(a)
1903.....	59,571	4,149,159	18,004	.30	.4
1904.....	74,307	7,082,474	29,318	.40	.4
1905.....	74,699	6,584,140	33,547	.45	.5
1906.....	84,717	8,801,231	38,152	.45	.4
Kief:					
1904 (b).....	20,080	749,644	7,048	.35	.9
1905.....	25,061	969,684	27,011	1.08	2.8
1906.....	33,272	1,535,154	36,213	1.09	2.4
Moscow (First Russian Insurance Association):					
1905.....	33,883	3,382,890	42,565	1.26	1.3
1906.....	48,356	5,368,763	76,681	1.59	1.4
St. Petersburg:					
1905.....	29,782	4,280,979	52,205	1.75	1.2
1906.....	34,470	5,283,600	69,310	2.01	1.3
Warsaw:					
1905.....	23,917	2,801,630	63,129	2.64	2.3
1906.....	28,633	3,631,780	91,919	3.21	2.5
Kief (sugar):					
1905.....	4,872	234,312	6,307	1.29	2.7
1906.....	7,246	326,809	9,013	1.24	2.8
1907.....	10,395	444,898	10,306	.99	2.3
Bielostok:					
1906 (c).....	3,942	467,203	10,766	2.73	2.3
1907 (d).....	4,066	523,034	15,817	3.89	3.0
Eniseisk:					
1906 (e).....		196,995	6,373	.....	3.2
1907 (f).....		303,263	9,611	.....	3.2

a Not reported.

b From September to December.

c December 1 1905, to December 31, 1906.

d January 1, 1907, to October 1, 1907.

e April 1 to October 1, 1906.

f October 1, 1906, to October 1, 1907.

PROPOSED REFORMS.

BILL OF 1905.

The step from voluntary to obligatory insurance was proposed in the draft of a law which was first published early in 1905. When the compensation act was passed the minister of finance was directed to prepare plans for a comprehensive scheme of workmen's insurance. In accordance with an imperial ukase the committee of ministers on December 24, 1904 (January 6, 1905), instructed the minister of finance to organize in conjunction with the Bureau of Industry of that ministry an inter-departmental commission for the preparation of a plan for insurance against accidents, sickness, and old age and invalidism. Representatives from all important chambers of commerce, mutual insurance companies, and other commercial bodies were invited into the commission. These resolutions of the

minister's committee were approved by the Emperor on January 17 (30), 1905; and the first draft of the complete law for all three branches of workmen's insurance was made public on March 29 (April 11), 1905.

This new draft did not change the essential provisions of the compensation act of 1903 or extend its scope, but simply applied the principle of obligatory mutual insurance and corrected a few of the defects of the existing system. It also excepted all cases during the first 6 weeks of sickness, which were to be transferred to the sick benefit associations to be organized in connection with sickness insurance. Each employer subject to the law of 1903 was to join either an industrial or a territorial association of employers; in exceptional cases of isolated establishments exceptions might be granted, and in such cases the old rules of 1903 remained in force unchanged.

#### DRAFT OF 1906.

The character and extent of the Compensation Law of 1903 was not affected by the plan of 1905. But within the last three or four years the need of introducing radical changes in the compensation law was widely discussed. In April, 1906, an interdepartmental conference, increased by invited representatives of commercial organizations and economic science, with the minister of commerce and industry, elaborated a new draft of an accident insurance law. This draft of 1906 represented in the main a combination of the law of 1903 and the plan for the organization of the territorial insurance associations of 1905. But there were important modifications. The exception of accidents due to gross negligence from the application of the law was abolished, only accidents due to the malicious intent of the injured being excepted. Other changes suggested are: The increase of the compensation for temporary disability from one-half the daily earnings to two-thirds; but with it a transfer of the care of all cases during the first six weeks from the accident insurance associations to the sickness insurance societies, the organization of which was contemplated; the increase of the number of annual working days to be used in computing annual earnings from 260, as in the law of 1903, to 280.

#### BILL OF THE CONSTITUTIONAL DEMOCRATIC PARTY.

In the first Duma, which was in session during the summer of 1906, many labor bills were introduced. The bill referring to workmen's accident insurance was based upon somewhat broader principles than the draft of the Ministry of Commerce and Industry of 1906. Proceeding from the existing law of 1903, the plan embodied the following general principles: The extension of the law to all employees

in industry, transportation, agriculture, and building; an increase of the pensions to the surviving children from one-sixth of the wages, as in the law of 1903, to one-fifth, and when orphans to one-fourth, the total limit of pensions remaining the same, namely, two-thirds of the wages; the raising of the age limit of children entitled to compensation from 15 to 17 years; the establishment of arbitration courts with representatives of capital and labor; and a system of obligatory insurance, with the privilege of choice between insurance in a mutual employers' association, a central government insurance office, or a private authorized insurance company.

#### DRAFT OF 1907.

The governmental consideration of an accident insurance system continued in December, 1906, and February, 1907. Another official draft was published in February, 1907. The draft of 1907 did not accept the suggestions as to the increase of the allowance for temporary disability from one-half to two-thirds the daily wages, nor as to the increase of the age limit of the children from 15 to 17 years; but the number of annual working days was increased from 260 to 280 days, the qualification of gross negligence was eliminated, and perhaps the most important change was the inclusion of railroads, steamship, and street railway companies; the draft is also more comprehensive than the law of 1903 as to the size of the manufacturing or mining establishments covered, including all establishments using mechanical or animal power or, when not using such power, employing not less than 10 wage-earners.

In the matter of organization of obligatory insurance, the draft of 1907 adheres to the Austrian models embodied in the draft of 1905; it requires the establishment of territorial employers' organizations and provides for industrial employers' organizations in exceptional cases by special permission of the central authorities.

#### BILL OF 1908.

After more than three years of deliberation a draft of the bill was agreed upon by the Government and introduced into the Duma on June 25 (July 8), 1908, together with many other labor bills.

The bill of June 25, 1908, preserves the Austrian form of territorial mutual insurance associations; but the organization of industrial insurance associations in exceptional cases may be permitted by the central insurance council to be established in connection with the whole insurance system. Government establishments are excepted from obligation of insurance, also establishments owned by the "Zemstvos" (provincial organs of self-government) and by municipalities. Isolated establishments may also be relieved from the

obligation by the insurance council. In the financial arrangements the Austrian system is also followed, and the capitalized value of the claims annually arising must be met by assessments for that year. The insurance associations must therefore establish a reserve and a surplus fund. The reserve contains the capitalized value of the obligations, and the surplus formed from the profits, etc., is to be used to meet unexpected losses. The funds are to be invested in government bonds or other securities guaranteed by the State, such as municipal land bank bonds and similar securities on a list authorized by the Government, and must be deposited with the state bank or sub-treasuries. By special authorization of the insurance council they may also be invested in real estate, in construction of hospitals and invalid homes, or in loans to members for construction of cheap dwellings, schools, hospitals, or similar institutions for the benefit of the employees.

The insurance associations are to be self-governing institutions under the supervision of the central workmen's insurance council. The constitution is to be prepared by representatives of industrial establishments. The constitution may be revised by the insurance council and must be approved by the minister of commerce and industry before it goes into effect. In case of failure of the association to prepare the draft of such constitution, the council may prepare one and present it to the minister for approval. The administration of the affairs of each association must be lodged in the board of directors and the general meetings of the members or their delegates, also an auditing committee and other select committees.

The general meeting must prepare the scale of contributions of individual members, with consideration of comparative hazard, and present it to the insurance council for approval of the minister of commerce and industry. In case of failure to prepare such a scale, or if the scale presented is not approved, the council may enforce one established according to its judgment. The contribution levied by the mutual associations must be paid promptly, and the association is empowered to levy fines for delay, and may collect the amounts due through the police. Such fines must be determined by the general meeting. The insurance associations, in the general meeting, may also establish rules and regulations for prevention of accidents, provided they do not conflict with existing legislation, and enforce them upon the members by means of fines up to 300 rubles (\$154.50). It may establish premiums for saving of lives and for invention of safety appliances and devices.

In so far as the organization of these mutual employers' insurance organizations are concerned, this bill does not differ in its principles from the drafts of 1905 or 1907. But the essential difference lies in



the absence of any provision for special insurance courts with representatives of employers and employees, which courts were promised in the draft of 1905 and which many students of labor insurance in Russia think essential to the proper working of the law.

Many more or less important modifications of the law of 1903 are introduced in this bill. The primary purpose is the establishment of a system of compulsory insurance. On the other hand, many rules of 1903, which the draft of 1907 showed a desire to amend, have been retained.

An important amendment of the law, suggested in the draft of 1908, is the exclusion of all reference to negligence, only self-inflicted injuries barring the victim or his dependents from the right to compensation. On the other hand, the application of the law is considerably restricted as compared with the draft of 1907, or, in some respects, even the law of 1903. The bill includes manufacturing, mining and metallurgical, steamship, railroad, and street railroad establishments, and thus seems to have covered the main branches of transportation service; but as not only government establishments but also privately owned public railroads are specifically excepted, this leaves only the small private industrial railroads, while the bill of 1907 included all railroad employees. Again, only those establishments are included which employ steam or other mechanical power and at least 20 employees permanently, or 30 employees when no mechanical power is used. This establishes a much narrower restriction than the draft of 1907, which had a minimum of 10 employees only, and no minimum of the number of employees at all where either mechanical or animal power is used.

The allowance for temporary disability is increased to two-thirds of the wages, as proposed in 1906, and against one-half granted by the law of 1903; but the payments of these allowances by the accident insurance associations is to begin after 13 weeks, as against 6 weeks according to the draft of 1905. Thus an increased burden is placed upon the proposed sick benefit funds, to which the employees contribute an equal amount with the employers, and only for the working days is such allowance granted. However, when the injured is not a member of any sick benefit fund he is entitled to the compensation from the day of the injury. The cost of medical treatment must be paid by the accident insurance fund when it is not furnished by the sick benefit fund.

The annual number of working days is reduced from 280, as suggested by the draft of 1907, to 260 days. There is no minimum pension for complete disability, but the annual earnings computed as above must not be lower for an adult than 260 times the standard wages of unskilled labor in the district. A full pension of 100 per cent is granted in case of complete helplessness, which is defined in the

text to include only cases of insanity, total blindness, and loss of both hands or both feet.

These are the important modifications proposed in the rules of compensation as established by the law of 1903, the bill following quite closely the law in regard to other compensation.

The substitution of the employers' association for the individual employers' responsibility has necessitated a complete change in the method of procedure. The essential point of the change is the complete elimination of the factory or mine inspector, who fulfills so important a function in the administration of the law of 1903. Notice of accident must be given to the police and to the insurance association, which may impose a fine for failure to give such notice. The association may send its agent to investigate the conditions of the accident, a function at present entrusted to the factory inspector. Both the claimant and the association may select their physicians, but the injured must allow himself to be examined by the association's physician, and on refusal to do so may be deprived of the entire compensation or part of it. Claims are to be made directly to the insurance association, which must render a decision within one month. Dissent from this decision must be lodged by the claimant within two months, after which the insurance association must reconsider the claim within one month. In case of further dissent with the decision, the case may be carried to court within 2 months. When the difference refers to the amount of compensation, the claimant may accept the amount offered without prejudicing his right to sue. And when a claim, rejected by the association, is allowed by the courts, or the amount granted is increased, all payments overdue must be paid up with interest computed at 6 per cent annually. The bill endeavors to discourage premature suing in courts by providing that in going to court before first making a claim directly to the insurance association, or before the expiration of the terms established by the bill, the claimant loses the right to receive court expenses and court fees.

Thus the procedure is simplified. Criticism has been passed upon this procedure because, while eliminating the factory or mine inspector, it substitutes no one to guard the interests of the workman. It seems to be assumed that in dealing with the insurance association the claimant has less need of such protection than when dealing with an individual employer, but the wage-workers are not represented in the insurance association. The plan for special insurance arbitration courts, included in the draft of 1905 to diminish tedious litigation, has been omitted in the draft of 1908.

## STATISTICS OF ACCIDENTS.

## ACCIDENTS IN MANUFACTURING ESTABLISHMENTS.

The statistics of industrial accidents in Russia are available for only a few years. Reports of industrial accidents were made obligatory on July 1, 1895. According to the rule promulgated by the Ministry of Finance, reports were to be made of all accidents, whether to workmen, other employees, or strange persons, provided the injury sustained caused disability to work for three days or more. The results of this order were so meager that for five years the Bureau of Industry, which collected these data, did not find them worthy of compilation and presentation. There was an improvement evidenced by the rapid increase in the number of accidents reported, and in 1901 the bureau felt justified in beginning the compilation and publication of the data.

The total number of accidents reported to the factory inspectors, as stated in the annual factory inspection reports, is shown in the following table to have increased from 27,135 in 1901 to 76,409 in 1908, or has nearly trebled. The increase came mainly in 1904, after the introduction of the compensation law, and as the increase since has been slight the data for the later years appear to be fairly reliable.

NUMBER OF FATAL AND NONFATAL ACCIDENTS IN MANUFACTURING ESTABLISHMENTS REPORTED TO FACTORY INSPECTORS, 1901 TO 1908.

[Source: Ministerstvo Torgovli i Promyshlennosti. Otdel Promyshlennosti. Svod otchetov fabrichnykh inspektorov, 1900-1908.]

Year.	Accidents reported.			Year.	Accidents reported.		
	Fatal.	Nonfatal.	Total.		Fatal.	Nonfatal.	Total.
1901.....	(a)	(a)	27,135	1905.....	837	71,008	71,345
1902.....	(a)	(a)	29,349	1906.....	364	78,370	78,734
1903.....	(a)	(a)	35,138	1907.....	453	83,905	84,358
1904.....	395	69,302	69,697	1908.....	374	76,035	76,409

a Not separately reported.

In the preparation of the special statistical reports, a number of cases have been excluded, for many reasons, to make the data comparable with the statistics of persons employed. Since 1904 the accident reports are adjusted so as to cover only accidents as defined in the law. In the following table is given the number of accidents compared with the number of persons employed. The proportion appears to have increased from 14.6 per 1,000 employees in 1901 to 36.3 per 1,000 employees in 1906; even this proportion, however, is very small as compared with that in other industrial countries.

ESTABLISHMENTS SUBJECT TO FACTORY INSPECTION AND ESTABLISHMENTS REPORTING ACCIDENTS, WITH NUMBER OF WORKMEN EMPLOYED, AND NUMBER OF ACCIDENTS REPORTED, 1901 TO 1906.

[Source: Ministerstvo Torgovli i Promyshlennosti. Otdel Promyshlennosti. Statistika neschastnykh sluchaev s rabochimi v promyshlennykh zavedeniakh, podchinionnykh nadsoru fabrichnoi inspektzii, 1901-1906.]

Year.	Establishments subject to factory inspection.		Establishments reporting accidents.				Accidents reported.		
	Num-ber.(a)	Workmen employed.	Num-ber.	Per cent of total.	Workmen employed.		Number.	Per 1,000 work-men.	Per 1,000 work-men in estab-lish-ments report-ing ac-cidents
					Number.	Per cent of all workmen subject to factory inspec-tion.			
1901.....	17,538	1,690,906	2,919	16.6	(b)	(b)	24,744	14.6	.....
1902.....	16,085	1,649,972	2,856	17.8	1,025,508	60.2	25,847	15.7	25.2
1903.....	16,579	1,682,672	3,165	19.1	1,071,290	63.7	31,319	18.6	29.2
1904.....	14,066	1,651,957	3,612	25.7	1,172,428	71.0	47,205	28.6	40.3
1905.....	13,292	1,644,218	3,488	26.2	1,201,772	73.1	52,655	32.0	43.8
1906.....	12,903	1,658,985	3,593	27.8	1,234,766	78.0	60,142	36.3	48.5

\* The reduction in the number of establishments is explained by actual suspension of some, but mainly by exclusion of establishments from the jurisdiction of factory inspection. In both cases the smaller establishments were mainly affected, as indicated by the uniformity in the number of workmen employed.  
b Not reported.

Only 16.6 per cent of all establishments reported accidents in 1901, but by 1906 the proportion of establishments reporting increased to 27.8 per cent. The number of workmen in establishments reporting accidents in 1902 was 60.2 per cent of the total number of workmen subject to factory inspection, while in 1906 the proportion increased to 78 per cent. The increase both in the number of establishments reporting and of the workmen employed in these establishments was greatest in 1904, when the accident compensation law first went into effect, thus indicating direct dependence of accident statistics upon the accident compensation law.

But while the number of establishments reporting increased from 3,165 in 1903 to 3,593 in 1906, or 13.5 per cent, and that of workmen in the establishments reporting increased from 1,071,290 to 1,234,766, or 15.3 per cent, the number of accidents increased from 31,319 to 60,142, or nearly doubled. It would appear that the serious omissions in the statistics of accidents before 1904 were not due so much to establishments failing to report, altogether, as to reports from the larger establishments being incomplete.

For a proper application of the data presented in the tables which follow these facts must be considered: (1) While accidents to strangers were reported, they were excluded from the compilation; (2) accidents to office employees subject to the law of 1903 were reported, but excluded because the total number of employees not being known, their inclusion would be a disturbing factor; (3) in the reports of

1901 to 1903 accidents causing disability of not more than two days were excluded, and in the report of 1904 all accidents causing disability for not more than three days. This limits the comparative value of the reports for different years. In the vast majority of accidents the injuries are of slight duration; in 1904 out of 40,505 cases of temporary disability 12,441 cases, or 30.7 per cent, lasted four to seven days; the number of cases lasting three days, not reported in 1904 though reported in earlier years, must have been considerable.

(4) The data of industrial accidents collected by the factory inspectors refer only to those industries, establishments, and localities which are subject to factory inspection. Therefore the so-called "artisans' shops" are excluded—i. e., the smaller industrial establishments having less than 20 and in some cases less than 15 employees, and not employing mechanical power; also mines and metallurgical establishments, for which separate accident statistics and a separate system of inspection exist, all state factories and mills, and all industrial establishments under the jurisdiction of the Ministries of War, Navy, and Ways of Communication. While these data refer mainly to the manufacturing industry, another important limitation is found in the circumstance that factory inspection has as yet been introduced only in the 60 Provinces of European Russia and in some parts of Caucasus—namely, the Provinces of Baku, Tiflis, Kutais, Chernomorsk, and Batum. Accidents in the industrial establishments of the remaining Caucasian Provinces in Siberia and central Asia are also required to be reported by the act of 1903, but because the reports were insufficient and statistics of the number of workmen were lacking, these have not been included.

ACCIDENTS, BY INDUSTRY, SEX, AND AGE.—In the tables following are shown the number of workers employed in each industrial group, the number of accidents, and the number of accidents per 1,000 workers from 1904 to 1906. The data are given for all workers and separately for male and female workers; and also for adults (17 years and over), young persons (15 and under 17 years), and children (12 and under 15 years). The number of reported accidents per 1,000 workers has increased from 28.6 in 1904 to 36.3 in 1906. For the male workers the number of accidents per 1,000 in 1906 was 45.9 and for the female workers only 13.1. This is partly due to the fact that women are mainly employed in those industries where accidents are less frequent, namely, the manufacture of textiles and food products, these two industrial groups employing in 1906 82 per cent of all female wage-workers and only 52 per cent of the male workers. But a difference in the frequency of accidents to males and to females is noticed in each industrial group, indicating that the men are preferred for the more dangerous kinds of work, requiring close contact with power-generating engines and complicated machinery.

A comparison by the main age groups indicates that in 1906 the average number of accidents per 1,000 adults was 38.2, per 1,000 young persons 20.3, and per 1,000 children 15.3. No such concentration of the workers below 17 years of age exists as was found in the case of women, and the difference in the proportionate number of accidents seems to be mainly due to the nature of work intrusted to the younger employees.

The comparative frequency of accidents in various branches of industry is also shown in these tables. In the following statement the industries are arranged in order of the accident frequency during 1906:

ACCIDENT RATE PER 1,000 EMPLOYEES, IN MANUFACTURING ESTABLISHMENTS,  
BY INDUSTRIES AND SEX, 1906.

[Source: Ministerstvo Torgovli i Promyshlennosti. Otdel Promyshlennosti. Statistika neschastnykh sluchaev s rabochimi, 1906.]

Industry.	Accident rate per 1,000 employees.			Industry.	Accident rate per 1,000 employees.		
	Males.	Fe- males.	Total.		Males.	Fe- males.	Total.
Machinery.....	141.1	19.3	140.2	Sugar.....	21.6	10.9	20.2
Iron and steel.....	143.2	32.0	136.6	Chemical industry, not spec- ified.....	28.9	7.0	19.8
Mineral products, not speci- fied.....	69.5	22.4	64.6	Paper, parchment, and wall paper.....	27.3	4.8	19.5
Mineral-oil products.....	51.6	.....	51.4	Animal products (hides, leather, etc.).....	16.0	11.6	15.4
Chemicals.....	48.3	11.9	47.3	Food products, not specified..	18.9	8.1	15.1
Explosives.....	50.2	16.5	42.4	Wool manufactures.....	16.4	8.5	13.5
Lumber sawing.....	38.2	49.6	38.5	Textiles, mixed.....	16.9	2.9	9.3
Metal work, not specified.....	40.9	23.8	38.5	Printing and engraving.....	7.1	3.8	6.8
Woodworking, not specified..	32.3	42.4	35.0	China ware.....	6.1	2.9	5.1
Paper manufactures.....	41.7	7.0	26.3	Silk manufactures.....	7.8	2.1	4.4
Glass.....	27.6	15.5	25.8	Earthen and stone ware.....	3.6	3.6	3.6
Cotton manufactures.....	33.3	14.9	24.1				
Flax, hemp, and jute.....	22.8	20.0	21.4				
Flour milling.....	21.0	3.8	20.7				

Thus accidents are shown to be most frequent in the machinery and iron and steel industries, being, respectively, 140.2 and 136.6 per 1,000 employees. In the cotton-goods industry, which is the most important in Russia, the rate is 24.1 accidents per 1,000, and in the other branches of textile industry much lower. The differences in the frequency of accidents in the various branches of the textile industries may be explained by the larger size of the cotton mills where machinery and mechanical power are used extensively, while in the woolen and silk industries hand looms are still the rule. Thus in 1906 the average number of employees per establishment in the cotton industry was 614, in the woolen industry 139, and in the silk industry 129.

In the table following the accidents and accident rates are shown by industries and sex for the years 1904 to 1906.



NUMBER OF EMPLOYEES, NUMBER OF ACCIDENTS, AND ACCIDENTS PER 1,000 EMPLOYEES IN MANUFACTURING ESTABLISHMENTS, BY INDUSTRIES AND SEX, 1904 TO 1906.

[Source: Ministerstvo Torgovli i Promyshlennosti. Otdiel promyshlennosti. Statistika nescastnykh sluchaev s rabochimi, 1904-1906.]

Industry and year.	Males.			Females.			Total.		
	Employ-ees.	Accidents.		Em-ploy-ees.	Accidents.		Employ-ees.	Accidents.	
		Num-ber.	Per 1,000 em-ploy-ees.		Num-ber.	Per 1,000 em-ploy-ees.		Num-ber.	Per 1,000 em-ploy-ees.
Cotton manufactures:									
1904.....	213,613	4,567	21.4	201,720	2,041	10.1	415,333	6,608	15.9
1905.....	209,682	5,003	23.9	206,780	2,107	10.2	416,462	7,110	17.1
1906.....	220,175	7,322	33.3	220,017	3,284	14.9	440,192	10,606	24.1
Wool manufactures:									
1904.....	92,722	940	10.1	51,952	289	5.6	144,674	1,229	8.5
1905.....	88,281	1,004	11.4	50,876	312	6.1	139,157	1,316	9.5
1906.....	87,988	1,442	16.4	51,434	436	8.5	139,422	1,878	13.5
Silk manufactures:									
1904.....	12,590	57	4.5	16,913	18	1.1	29,503	75	2.5
1905.....	10,401	60	5.8	14,288	23	1.6	24,689	83	3.4
1906.....	9,623	75	7.8	14,035	30	2.1	23,658	105	4.4
Flax, hemp, and jute manufactures:									
1904.....	39,470	659	16.7	37,455	434	11.6	76,925	1,093	14.2
1905.....	45,104	887	19.7	42,341	521	12.3	87,445	1,408	16.1
1906.....	44,928	1,025	22.8	44,586	891	20.0	89,514	1,916	21.4
Textile industries, not specified:									
1904.....	12,605	123	9.8	15,152	35	2.3	27,757	158	5.7
1905.....	11,705	135	11.5	13,850	43	3.1	25,555	178	7.0
1906.....	11,785	199	16.9	14,044	41	2.9	25,829	240	9.3
Paper, parchment, and wall paper:									
1904.....	18,729	539	28.8	10,143	66	6.5	28,872	605	21.0
1905.....	18,419	589	32.0	9,587	47	4.9	28,006	636	22.7
1906.....	18,753	512	27.3	9,955	48	4.8	28,708	560	19.5
Printing and engraving:									
1904.....	31,217	219	7.0	3,048	21	6.9	34,265	240	7.0
1905.....	30,501	187	6.1	3,310	32	9.7	33,811	219	6.5
1906.....	30,978	221	7.1	3,453	13	3.8	34,431	234	6.8
Paper and printing, not specified:									
1904.....	8,548	354	41.4	6,546	42	6.4	15,094	396	26.2
1905.....	7,763	412	53.1	6,326	42	6.6	14,089	454	32.2
1906.....	8,994	375	41.7	7,180	50	7.0	16,174	425	26.3
Total paper and printing:									
1904.....	58,494	1,112	19.0	19,737	129	6.5	78,231	1,241	15.9
1905.....	56,683	1,188	21.0	19,223	121	6.3	75,906	1,309	17.2
1906.....	58,725	1,108	18.9	20,588	111	5.4	79,313	1,219	15.4
Lumber sawing:									
1904.....	50,480	1,779	35.2	1,425	23	16.1	51,905	1,802	34.7
1905.....	49,487	1,732	35.0	1,470	24	16.3	50,957	1,756	34.5
1906.....	49,732	1,901	38.2	1,392	69	49.6	51,124	1,970	38.5
Wood working, not specified:									
1904.....	19,948	574	28.8	6,682	208	31.1	26,630	782	29.4
1905.....	19,036	607	31.9	6,511	204	31.3	25,547	811	31.7
1906.....	19,178	619	32.3	7,245	307	42.4	26,423	926	35.0
Total wood manufactures:									
1904.....	70,428	2,353	33.4	8,107	231	28.5	78,535	2,584	32.9
1905.....	68,523	2,339	34.1	7,981	228	28.6	76,504	2,567	33.6
1906.....	68,910	2,520	36.6	8,637	376	43.5	77,547	2,896	37.4
Iron and steel:									
1904.....	76,357	9,317	122.0	3,989	132	33.1	80,346	9,449	117.6
1905.....	74,824	9,671	129.2	4,136	143	34.6	78,960	9,814	124.3
1906.....	71,402	10,227	143.2	4,526	145	32.0	75,928	10,372	136.6
Machinery:									
1904.....	140,549	15,321	109.0	1,132	12	10.6	141,681	15,333	108.2
1905.....	146,697	18,807	128.2	1,098	44	40.1	147,795	18,851	127.5
1906.....	134,109	18,923	141.1	983	19	19.3	135,092	18,942	140.2

NUMBER OF EMPLOYEES, NUMBER OF ACCIDENTS, AND ACCIDENTS PER 1,000 EMPLOYEES IN MANUFACTURING ESTABLISHMENTS, BY INDUSTRIES AND SEX, 1904 TO 1906—Continued.

Industry and year.	Males.			Females.			Total.		
	Employ-ees.	Accidents.		Em-ploy-ees.	Accidents.		Employ-ees.	Accidents.	
		Num-ber.	Per 1,000 em-ploy-ees.		Num-ber.	Per 1,000 em-ploy-ees.		Num-ber.	Per 1,000 em-ploy-ees.
<b>Metal working, not specified:</b>									
1904.....	39,359	1,364	34.7	5,795	95	16.4	45,154	1,459	32.3
1905.....	39,125	1,376	35.2	6,604	115	17.4	45,729	1,491	32.6
1906.....	39,683	1,625	40.9	6,765	161	23.8	46,448	1,786	38.5
<b>Total metals, machinery and implements:</b>									
1904.....	256,265	26,002	101.5	10,916	239	21.9	267,181	26,241	98.2
1905.....	260,646	29,854	114.5	11,828	302	25.5	272,484	30,156	110.7
1906.....	245,194	30,775	125.5	12,274	325	26.5	257,468	31,100	120.8
<b>Glass manufactures:</b>									
1904.....	36,817	924	25.1	6,945	78	11.2	43,762	1,002	22.9
1905.....	33,261	892	26.8	5,850	86	14.7	39,111	978	25.0
1906.....	33,311	921	27.6	5,928	92	15.5	39,239	1,013	25.8
<b>China ware:</b>									
1904.....	13,740	53	3.9	5,503	12	2.2	19,243	65	3.4
1905.....	13,561	47	3.5	5,336	12	2.2	18,897	59	3.1
1906.....	13,040	79	6.1	5,946	17	2.9	18,986	96	5.1
<b>Earthenware:</b>									
1904.....	55,946	145	2.6	6,005	17	2.6	62,551	162	2.6
1905.....	51,503	134	2.6	7,435	25	3.4	58,938	159	2.7
1906.....	44,114	158	3.6	6,408	23	3.6	50,522	181	3.6
<b>Mineral products, not specified:</b>									
1904.....	13,888	534	38.5	1,099	25	22.7	14,987	559	37.3
1905.....	12,945	574	44.3	1,125	23	20.4	14,070	597	42.4
1906.....	11,754	817	69.5	1,381	31	22.4	13,135	848	64.6
<b>Total stone, clay, china, and glass ware:</b>									
1904.....	120,391	1,656	13.8	20,152	132	6.6	140,543	1,788	12.7
1905.....	111,270	1,647	14.8	19,746	146	7.4	131,016	1,793	13.7
1906.....	102,219	1,975	19.3	19,663	163	8.3	121,882	2,138	17.5
<b>Animal products (hides, leather, etc.):</b>									
1904.....	41,280	456	11.0	5,228	24	4.6	46,508	480	10.3
1905.....	42,665	522	12.2	5,720	25	4.4	48,385	547	11.3
1906.....	40,172	641	16.0	5,442	63	11.6	45,614	704	15.4
<b>Flour milling:</b>									
1904.....	33,873	579	17.1	487	3	6.2	34,360	582	16.9
1905.....	33,169	585	17.6	437	.....	.....	33,606	585	17.4
1906.....	34,700	728	21.0	529	2	3.8	35,229	730	20.7
<b>Sugar and sugar refin- ing:</b>									
1904.....	121,386	2,155	17.8	15,957	105	6.6	137,343	2,260	16.5
1905.....	126,839	2,259	17.8	17,661	154	8.7	144,500	2,413	16.7
1906.....	132,166	2,851	21.6	19,778	215	10.9	151,944	3,066	20.2
<b>Food products, not specified:</b>									
1904.....	76,269	1,133	14.9	36,280	187	5.2	112,549	1,320	11.7
1905.....	70,147	1,240	17.7	36,735	269	7.3	106,882	1,509	14.1
1906.....	70,048	1,324	18.9	37,971	308	8.1	108,019	1,632	15.1
<b>Total food products:</b>									
1904.....	231,528	3,867	16.7	52,724	295	5.6	284,252	4,162	14.6
1905.....	230,155	4,084	17.7	54,833	423	7.7	284,988	4,507	15.8
1906.....	236,914	4,903	20.7	58,278	525	9.0	295,192	5,428	18.4
<b>Chemicals:</b>									
1904.....	13,054	467	35.8	1,941	2	1.0	14,995	469	31.3
1905.....	10,483	519	49.5	259	7	27.0	10,742	526	49.0
1906.....	11,847	572	48.3	335	4	11.9	12,182	576	47.3
<b>Mineral oils:</b>									
1904.....	4,625	218	47.1	12	.....	.....	4,637	218	47.0
1905.....	4,241	160	37.7	36	.....	.....	4,277	160	37.4
1906.....	3,511	181	51.6	13	.....	.....	3,524	181	51.4
<b>Explosives:</b>									
1904.....	1,367	73	53.4	436	1	2.3	1,803	74	41.0
1905.....	1,444	94	65.1	520	4	7.7	1,964	98	49.9
1906.....	1,614	81	50.2	484	8	16.5	2,098	89	42.4

NUMBER OF EMPLOYEES, NUMBER OF ACCIDENTS, AND ACCIDENTS PER 1,000 EMPLOYEES IN MANUFACTURING ESTABLISHMENTS, BY INDUSTRIES AND SEX, 1904 TO 1906—Concluded.

Industry and year.	Males.			Females.			Total.		
	Employees.	Accidents.		Employees.	Accidents.		Employees.	Accidents.	
		Number.	Per 1,000 employees.		Number.	Per 1,000 employees.		Number.	Per 1,000 employees.
Chemical industry, not specified:									
1904.....	23,001	602	26.2	15,808	106	6.7	38,809	708	18.2
1905.....	25,080	632	25.2	16,143	127	7.9	41,223	759	18.4
1906.....	24,353	703	28.9	17,355	121	7.0	41,708	824	19.8
Total chemical products:									
1904.....	42,047	1,360	32.3	18,197	109	6.0	60,244	1,469	24.4
1905.....	41,248	1,405	34.1	16,958	138	8.1	58,206	1,543	26.5
1906.....	41,325	1,537	37.2	18,187	133	7.3	59,512	1,670	28.1
All other industries:									
1904.....	2,169	77	35.5	102	.....	.....	2,271	77	33.9
1905.....	3,140	138	43.9	281	.....	.....	3,421	138	40.3
1906.....	3,382	242	71.6	460	.....	.....	3,842	242	63.0
All industries:									
1904.....	1,193,602	43,229	36.2	458,355	3,976	8.7	1,651,957	47,205	28.6
1905.....	1,179,503	48,266	40.9	464,715	4,389	9.4	1,644,218	52,665	32.0
1906.....	1,171,340	53,764	45.9	487,645	6,378	13.1	1,658,985	60,142	36.3

In the table following the accidents and accident rates for the years 1904 to 1906 are shown by industries and age groups.

NUMBER OF EMPLOYEES, NUMBER OF ACCIDENTS, AND ACCIDENTS PER 1,000 EMPLOYEES IN MANUFACTURING ESTABLISHMENTS, BY INDUSTRIES AND AGE GROUPS, 1904 TO 1906.

[Source: Ministerstvo Torgovli i Promyshlennosti. Otdel Promyshlennosti. Statistika neschastnykh sluchaev s rabochimi, 1904-1906.]

Industry and year.	Adults.			Youths.			Children.		
	Employees.	Accidents.		Employees.	Accidents.		Employees.	Accidents.	
		Number.	Per 1,000 employees.		Number.	Per 1,000 employees.		Number.	Per 1,000 employees.
Cotton manufactures:									
1904.....	368,341	5,940	16.1	40,467	556	13.7	6,525	112	17.2
1905.....	369,857	6,355	17.2	40,103	646	16.1	6,502	109	16.8
1906.....	394,098	9,525	24.2	39,945	930	23.3	6,149	151	24.6
Wool manufactures:									
1904.....	127,182	1,103	8.7	15,355	118	7.7	2,137	8	3.7
1905.....	123,225	1,183	9.6	14,299	120	8.4	1,633	13	8.0
1906.....	122,879	1,715	14.0	14,928	150	10.0	1,615	13	8.0
Silk manufactures:									
1904.....	25,352	64	2.5	3,275	10	3.1	876	1	1.1
1905.....	21,856	75	3.4	2,464	7	2.8	869	1	2.7
1906.....	21,001	95	4.5	2,131	10	4.7	526	.....	.....
Flax, hemp, and jute manufactures:									
1904.....	65,944	963	14.6	8,852	109	12.3	2,129	21	9.9
1905.....	75,142	1,259	16.8	9,444	123	13.0	2,859	26	9.1
1906.....	76,268	1,708	22.4	10,176	178	17.5	3,070	30	9.8
Textile industries, not specified:									
1904.....	23,567	146	6.2	3,823	11	2.9	367	1	2.7
1905.....	22,056	167	7.6	3,186	11	3.5	313	.....	.....
1906.....	22,337	227	10.2	3,182	13	4.1	310	.....	.....

## NUMBER OF EMPLOYEES, NUMBER OF ACCIDENTS, AND ACCIDENTS PER 1,000 EMPLOYEES IN MANUFACTURING ESTABLISHMENTS, BY INDUSTRIES AND AGE GROUPS, 1904 TO 1906—Continued.

Industry and year.	Adults.			Youths.			Children.		
	Em- ployees.	Accidents.		Em- ployees.	Accidents.		Em- ployees.	Accidents.	
		Num- ber.	Per 1,000 em- ployees.		Num- ber.	Per 1,000 em- ployees.		Num- ber.	Per 1,000 em- ployees.
Paper, parchment, and wall paper:									
1904.....	25,804	566	21.9	2,712	38	14.0	356	1	2.8
1905.....	24,801	587	23.7	2,799	47	16.8	406	2	4.9
1906.....	25,610	521	20.3	2,708	37	13.7	390	2	5.1
Printing and engraving:									
1904.....	26,650	177	6.6	6,136	51	8.3	1,479	12	8.1
1905.....	26,339	163	6.2	6,005	43	7.2	1,467	13	8.9
1906.....	27,130	185	6.8	5,806	35	6.0	1,495	14	9.4
Paper and printing, not specified:									
1904.....	11,714	376	32.1	2,629	12	4.6	751	8	10.7
1905.....	11,263	430	38.2	2,500	23	10.5	626	1	1.6
1906.....	13,020	404	31.0	2,579	21	8.1	575		
Total paper and printing:									
1904.....	64,168	1,119	17.4	11,477	101	8.8	2,586	21	8.1
1905.....	62,403	1,180	18.9	11,004	113	10.3	2,499	16	6.4
1906.....	65,760	1,110	16.9	11,093	93	8.4	2,460	16	6.5
Lumber sawing:									
1904.....	49,534	1,745	35.2	2,269	52	22.9	102	5	49.0
1905.....	48,712	1,699	34.9	2,141	53	24.8	104	4	38.5
1906.....	48,610	1,884	38.8	2,350	78	33.2	164	8	48.8
Woodworking, not specified:									
1904.....	23,981	702	29.3	2,299	67	29.1	350	13	37.1
1905.....	22,842	762	35.4	2,379	41	17.2	326	8	24.5
1906.....	23,505	853	36.3	2,606	56	21.5	312	17	54.5
Total wood manufactures:									
1904.....	73,515	2,447	33.3	4,568	119	26.1	452	18	39.8
1905.....	71,554	2,461	34.4	4,520	94	20.8	430	12	27.9
1906.....	72,115	2,737	38.0	4,956	134	27.0	476	25	52.5
Iron and steel:									
1904.....	70,327	8,905	126.6	9,674	526	54.4	345	18	52.2
1905.....	71,746	9,301	129.6	6,752	550	74.1	462	13	28.1
1906.....	68,805	10,024	145.7	6,564	336	51.2	559	12	21.5
Machinery:									
1904.....	129,801	14,585	112.4	11,617	729	62.8	263	19	72.2
1905.....	135,554	17,979	132.6	12,033	860	71.5	208	12	57.7
1906.....	124,620	18,245	146.4	10,306	686	66.6	166	11	66.3
Metal working, not specified:									
1904.....	39,758	1,343	33.8	4,975	111	22.3	421	5	11.9
1905.....	39,309	1,400	35.6	5,991	91	15.2	429		
1906.....	40,257	1,675	41.6	5,788	108	18.7	403	3	7.4
Total metals, machinery, and implements:									
1904.....	239,886	24,833	103.5	26,266	1,366	52.0	1,029	42	40.8
1905.....	246,609	28,680	116.3	24,776	1,451	58.6	1,099	25	22.7
1906.....	233,682	29,944	128.1	22,658	1,130	49.9	1,128	26	23.1
Glass manufactures:									
1904.....	30,668	807	26.3	7,577	115	15.2	5,517	80	14.5
1905.....	27,338	766	28.0	6,752	160	17.8	5,017	92	18.3
1906.....	27,823	802	28.8	6,572	132	20.1	4,844	79	16.3
China ware:									
1904.....	16,131	62	3.8	2,256	1	.4	856	2	2.3
1905.....	16,369	56	3.4	1,783	2	1.1	745	1	1.3
1906.....	16,077	92	5.7	2,189	4	1.8	720		
Earthenware:									
1904.....	58,287	147	2.5	3,703	11	3.0	561	4	7.0
1905.....	55,403	143	2.6	3,064	16	5.2	471		
1906.....	47,380	166	3.5	2,801	13	4.6	341	2	5.9
Mineral products, not specified:									
1904.....	14,088	538	38.2	863	21	24.3	36		
1905.....	13,521	586	43.3	529	11	20.8	20		
1906.....	12,450	832	66.8	665	15	22.6	20	1	50.0
Total stone, clay, china, and glass ware:									
1904.....	119,174	1,554	13.0	14,399	148	10.3	6,970	86	12.3
1905.....	112,631	1,551	13.8	12,132	149	12.3	6,253	93	14.9
1906.....	103,730	1,892	18.2	12,227	164	13.4	5,925	82	13.8

NUMBER OF EMPLOYEES, NUMBER OF ACCIDENTS, AND ACCIDENTS PER 1,000 EMPLOYEES IN MANUFACTURING ESTABLISHMENTS, BY INDUSTRIES AND AGE GROUPS, 1904 TO 1906—Concluded.

Industry and year.	Adults.			Youths.			Children.		
	Em- ployees.	Accidents.		Em- ployees.	Accidents.		Em- ployees.	Accidents.	
		Num- ber.	Per 1,000 em- ployees.		Num- ber.	Per 1,000 em- ployees.		Num- ber.	Per 1,000 em- ployees.
Animal products (hides, leather, etc.):									
1904.....	42,881	463	10.8	3,366	16	4.8	261	1	3.8
1905.....	44,690	525	11.7	3,491	20	5.7	204	2	9.8
1906.....	42,256	675	16.0	3,133	20	9.3	225		
Flour milling:									
1904.....	32,679	549	16.8	1,648	31	18.8	33	2	60.6
1905.....	31,794	555	17.5	1,799	26	14.5	13	4	307.7
1906.....	33,243	699	21.0	1,977	29	14.7	9	2	222.2
Sugar and sugar refining:									
1904.....	128,838	2,177	16.9	8,424	81	9.6	81	2	24.7
1905.....	135,342	2,319	17.1	9,054	89	9.8	104	5	48.1
1906.....	141,661	2,942	20.8	10,159	115	11.3	124	9	72.6
Food products, not speci- fied:									
1904.....	101,054	1,200	12.5	9,703	59	6.1	1,792	1	.6
1905.....	96,227	1,439	15.0	9,668	64	6.6	967	6	6.1
1906.....	98,194	1,559	15.9	9,350	65	7.0	475	8	16.8
Total food products:									
1904.....	262,571	3,966	15.2	19,775	171	8.6	1,906	5	2.6
1905.....	263,363	4,313	16.4	20,521	179	8.7	1,104	15	13.6
1906.....	273,098	5,200	19.0	21,486	209	9.7	608	19	31.3
Chemicals:									
1904.....	13,568	467	34.4	1,162	2	1.7	265		
1905.....	10,588	517	48.8	152	9	59.2	2		
1906.....	12,016	570	47.4	163	6	36.8	3		
Mineral oils:									
1904.....	4,520	213	47.1	111	4	36.0	6	1	166.7
1905.....	4,175	152	36.4	100	8	80.0	2		
1906.....	3,408	176	51.6	111	5	45.0	5		
Explosives:									
1904.....	1,756	73	41.6	22			25	1	40.0
1905.....	1,919	97	50.5	20	1	50.0	25		
1906.....	2,049	89	45.4	49					
Chemical industry, not specified:									
1904.....	33,379	696	20.6	4,258	20	4.7	1,172	2	1.7
1905.....	34,915	723	20.7	4,975	28	5.6	1,335	8	6.0
1906.....	35,270	793	22.5	5,035	28	5.6	1,403	3	2.1
Total chemical products:									
1904.....	53,223	1,439	27.0	5,553	26	4.7	1,468	4	2.7
1905.....	51,597	1,499	28.9	5,247	46	8.8	1,362	8	5.9
1906.....	52,743	1,628	30.9	5,358	39	7.3	1,411	3	2.1
All other industries:									
1904.....	2,225	76	34.2	46				1	
1905.....	3,200	138	43.1	209			12		
1906.....	3,638	242	66.5	198			6		
All industries:									
1904.....	1,468,029	44,133	30.1	157,222	2,751	17.5	26,706	321	12.0
1905.....	1,468,133	49,376	33.6	151,396	2,959	19.5	24,639	339	13.0
1906.....	1,483,606	56,698	38.2	151,471	3,079	20.3	23,909	265	15.3

\* Entered as found in the original report.

CAUSES OF ACCIDENTS.—In the table following the accidents are classified by causes, for all establishments, as well as for each one of the industrial groups, and the per cent of accidents due to each specified cause is shown in the table next following. All accidents are separated into two main classes: Those due to machinery or dangerous substances and those due to all other causes. In 1901, 47.26 per cent or nearly one-half of all the accidents recorded was due to machinery or dangerous substances, but this proportion declined to

42.61 per cent in 1902, 41.91 per cent in 1903, 38.05 per cent in 1904, and 37.8 per cent in 1906. This proportionate decline is probably due to a better recording of minor accidents, while those due to machinery or dangerous substances are usually of the graver kind. The most frequent cause of accidents is found in shop machinery operated by mechanical power. In 1906 this claimed 27.19 per cent of all industrial accidents; following this were accidents caused by loading and unloading, 17.11 per cent; hand implements, 15.07 per cent; collapse of buildings and falling weights, 7.70 per cent; and dangerous substances, 5.04 per cent. Falls claimed only 3.38 per cent, and elevators 2.03 per cent. The number of accidents due to power-generating engines, belts, and steam boilers are comparatively few, all these three classes claiming only 2.91 per cent.

The comparative frequency of accidents due to any one cause differs considerably in various branches of industry. Thus, in the textile industries machines with mechanical power are responsible for from one-half to two-thirds of all accidents, while in metal industry only about one-fifth, and in that of mineral products about one-sixth are due to this cause. In these last two branches a great many accidents are due to loading and unloading heavy materials; this is also true of the woodworking industry, food products (mainly sugar industry), and chemical industry (oil refining). Accidents from dangerous substances are met with most frequently in the chemical industry (manufacture of explosives) and in animal products (hides, leather, etc.). Hand implements are found to be most dangerous in the metal works and in the chemical industry.



NUMBER OF ACCIDENTS DUE TO EACH CAUSE, IN MANU  
 [Source: Ministerstvo Torgovli i Promyshlennosti. Otdel promysh

Marginal number	Industry.	Accidents caused by machinery and dangerous substances.					
		Power-generating machines.	Belts, etc.	Machinery with mechanical power.	Machinery without mechanical power.	Elevators, derricks, etc.	Steam boilers and steam fittings.
	<b>1901.</b>						
1	Cotton manufactures.....	46	99	2,526	25	61	60
2	Wool manufactures .....	10	63	610	9	7	20
3	Silk manufactures .....	3	2	15	.....	.....	.....
4	Flax, hemp, and jute manufactures .....	12	30	384	5	8	8
5	Textiles, not specified.....	.....	3	38	4	2	.....
6	Paper, and printing.....	7	58	371	26	28	15
7	Wood manufactures.....	12	66	686	12	38	6
8	Metals, machinery, and implements.....	69	129	2,563	146	516	67
9	Mineral products.....	5	32	111	8	22	2
10	Animal products (hides, leather, etc.)....	4	9	66	2	4	10
11	Food products.....	57	167	383	19	136	82
12	Chemical products.....	10	16	146	4	8	12
13	All other industries.....	1	.....	13	.....	2	.....
	Total.....	246	674	7,912	260	832	282
	<b>1902.</b>						
1	Cotton manufactures.....	40	115	2,567	24	46	42
2	Wool manufactures.....	15	57	602	10	7	12
3	Silk manufactures.....	.....	1	32	2	1	.....
4	Flax, hemp, and jute manufactures.....	4	14	337	3	3	5
5	Textiles, not specified.....	2	5	65	2	.....	3
6	Paper and printing.....	18	43	366	32	24	13
7	Wood manufactures.....	13	57	647	9	25	12
8	Metals, machinery, and implements.....	51	138	2,420	103	435	41
9	Mineral products.....	4	33	97	4	14	2
10	Animal products (hides, leather, etc.)....	7	8	54	4	7	1
11	Food products.....	47	155	354	19	78	65
12	Chemical products.....	9	16	142	6	10	19
13	All other industries.....	11	.....	8	.....	2	3
	Total.....	221	642	7,601	218	652	218
	<b>1903.</b>						
1	Cotton manufactures.....	29	137	2,880	21	28	56
2	Wool manufactures.....	9	50	660	3	8	21
3	Silk manufactures.....	2	3	41	.....	1	5
4	Flax, hemp, and jute manufactures.....	3	13	302	4	4	7
5	Textiles, not specified.....	1	2	67	3	.....	.....
6	Paper and printing.....	14	34	384	17	21	11
7	Wood manufactures.....	20	65	864	19	30	11
8	Metals, machinery, and implements.....	45	149	3,015	126	536	61
9	Mineral products.....	3	25	132	5	19	6
10	Animal products (hides, leather, etc.)....	2	12	62	5	7	5
11	Food products.....	75	202	435	18	82	110
12	Chemical products.....	6	23	157	14	13	22
13	All other industries.....	7	1	8	1	.....	3
	Total.....	216	716	9,015	236	749	318
	<b>1904.</b>						
1	Cotton manufactures.....	28	90	2,963	10	50	47
2	Wool manufactures.....	6	75	613	7	14	4
3	Silk manufactures.....	1	2	32	1	1	3
4	Flax, hemp, and jute manufactures.....	4	25	539	16	3	4
5	Textiles not specified.....	.....	4	72	7	1	.....
6	Paper and printing.....	16	36	484	54	19	26
7	Paper, parchment, and wall paper..	11	28	234	26	11	16
8	Printing and engraving.....	1	4	144	20	4	5
9	Paper and printing, not specified....	4	4	106	8	4	5
10	Wood manufactures.....	15	43	1,109	27	56	5
11	Lumber sawing.....	13	38	582	4	53	4
12	Woodworking, not specified.....	2	5	527	23	3	1
13	Metals, machinery, and implements.....	81	209	5,235	220	796	43

FACTURING ESTABLISHMENTS, BY INDUSTRIES, 1901 TO 1906.

lennosti. Statistika neschastnykh sluchaev s rabochimi, 1901-1906.]

Accidents caused by machinery and dangerous substances.			Accidents from other causes.								Grand total.	Marginal number.
Dangerous substances.	Explosives.	Total.	Collapse of buildings and falling objects.	Falls.	Loading, unloading, etc.	Hand implements.	Run over by wagons, etc.	Railroad accidents.	All other causes.	Total.		
142	1	2,960	200	189	409	216	52	14	418	1,498	4,458	1
31	.....	750	27	46	51	37	8	2	32	203	953	2
2	.....	22	1	2	3	1	.....	.....	1	8	30	3
11	.....	458	27	50	55	38	14	4	56	244	702	4
2	.....	49	1	3	2	.....	.....	.....	2	8	57	5
21	.....	536	55	41	87	57	14	19	45	320	856	6
12	.....	832	146	86	223	84	14	29	29	611	1,443	7
806	10	4,306	1,038	493	2,354	2,533	115	276	596	7,405	11,711	8
47	3	230	98	58	89	59	20	43	56	423	653	9
25	.....	120	9	25	35	25	5	2	41	142	262	10
187	.....	1,031	365	244	431	174	30	226	243	1,713	2,744	11
178	1	375	61	63	129	91	11	34	66	455	830	12
9	.....	25	5	4	2	6	.....	1	2	20	45	13
1,473	15	11,694	2,033	1,304	3,870	3,321	283	650	1,587	13,050	24,744	
183	.....	3,017	262	190	577	314	104	10	890	2,347	5,364	1
27	.....	730	25	45	86	37	8	3	65	269	999	2
1	.....	37	3	2	1	.....	.....	.....	6	12	59	3
6	.....	372	22	15	28	41	10	5	79	200	572	4
3	.....	80	7	4	12	8	2	.....	16	49	129	5
24	.....	520	63	27	148	69	15	2	61	385	905	6
17	.....	780	98	58	305	94	38	9	99	701	1,481	7
579	12	3,779	861	310	2,379	2,495	256	78	1,260	7,639	11,418	8
25	2	181	75	49	66	57	58	10	88	403	584	9
30	.....	111	12	21	30	20	5	1	42	131	242	10
256	2	976	481	164	501	198	114	161	366	1,985	2,961	11
182	10	394	94	51	149	161	44	8	153	660	1,054	12
11	1	36	3	6	5	20	1	4	14	53	89	13
1,344	27	11,013	2,006	942	4,287	3,514	655	291	3,139	14,834	25,847	
240	1	3,400	254	202	850	422	101	6	1,250	3,085	6,485	1
35	.....	786	43	48	75	50	3	1	67	287	1,073	2
3	.....	55	2	2	1	5	1	.....	14	25	80	3
4	.....	337	27	12	42	31	6	2	86	206	543	4
6	.....	79	6	5	8	3	.....	.....	6	28	107	5
34	1	516	56	36	138	63	6	16	78	393	909	6
23	.....	1,032	113	84	439	149	45	8	148	986	2,018	7
987	15	4,934	1,333	402	2,964	3,046	109	242	1,448	9,544	14,478	8
32	1	223	86	41	83	78	26	36	103	453	676	9
20	.....	113	16	17	41	30	4	.....	44	152	265	10
236	1	1,159	552	182	505	204	195	98	486	2,222	3,381	11
226	3	464	112	63	237	145	8	32	175	772	1,236	12
8	.....	28	3	7	10	4	9	2	5	40	68	13
1,854	22	13,126	2,603	1,101	5,393	4,230	513	443	3,910	18,193	31,319	
190	1	3,379	247	194	641	371	92	6	1,678	3,229	6,608	1
46	.....	765	58	53	97	56	15	.....	185	464	1,229	2
4	.....	44	1	2	2	11	.....	.....	15	31	75	3
13	.....	604	67	44	79	53	18	1	227	489	1,093	4
12	.....	96	5	5	11	.....	2	.....	35	62	158	5
57	.....	692	63	33	155	105	13	3	177	549	1,241	6
28	.....	354	31	12	67	49	9	2	81	251	605	7
3	.....	181	3	9	17	5	.....	.....	25	59	240	8
26	.....	157	29	12	71	51	4	1	71	239	396	9
29	.....	1,284	146	89	548	164	34	14	305	1,300	2,584	10
18	.....	712	124	77	496	107	30	12	242	1,090	1,802	11
11	.....	572	22	12	50	57	4	2	63	210	782	12
2,036	14	8,633	2,194	589	5,469	5,113	242	98	3,903	17,608	26,241	13

## NUMBER OF ACCIDENTS DUE TO EACH CAUSE, IN MANUFACTURING

Marginal number.	Industry.	Accidents caused by machinery and dangerous substances.					
		Power-generating machines.	Belts, etc.	Machinery with mechanical power.	Machinery without mechanical power.	Elevators, derricks, etc.	Steam boilers and steam fittings.
1904—Concluded.							
	Metals, machinery, and implements—Concluded.						
14	Iron and steel.....	23	96	2,198	109	244	12
15	Machinery and implements.....	39	99	2,661	71	530	21
16	Metal working, not specified.....	19	14	376	40	12	10
17	Stone, clay, china, and glass.....	7	53	205	12	33	1
18	Glass manufactures.....	3	11	96	2	2	.....
19	China ware.....	1	9	14	1	3	.....
20	Earthenware.....	1	10	26	4	8	.....
21	Mineral products, not specified.....	2	23	69	5	20	1
22	Animal products (hides, leather, etc.)...	2	11	91	9	9	1
23	Food products.....	59	203	535	39	111	87
24	Flour milling.....	14	111	157	4	23	9
25	Sugar and sugar refining.....	28	48	164	7	59	64
26	Food products, not specified.....	17	44	214	28	29	14
27	Chemical industry.....	15	27	195	13	16	12
28	Chemicals.....	6	6	31	4	5	6
29	Mineral oils.....	1	.....	18	.....	.....	3
30	Explosives.....	.....	.....	14	1	.....	1
31	Chemical industry, not specified.....	8	21	132	8	11	2
32	All other industries.....	3	2	4	.....	1	1
	Total.....	237	780	12,077	415	1,109	234
1905.							
1	Cotton manufactures.....	40	106	3,118	13	51	49
2	Wool manufactures.....	14	71	764	3	11	9
3	Silk manufactures.....	.....	2	39	1	.....	1
4	Flax, hemp, and jute manufactures.....	5	39	691	13	17	10
5	Textiles, not specified.....	1	6	74	6	4	2
6	Paper and printing.....	15	52	474	26	39	14
7	Paper, parchment, and wall paper..	5	39	236	3	24	6
8	Printing and engraving.....	5	6	139	14	5	.....
9	Paper and printing, not specified....	5	7	99	9	10	8
10	Wood manufactures.....	11	74	1,069	10	34	12
11	Lumber sawing.....	11	61	539	2	30	7
12	Woodworking, not specified.....	.....	13	530	8	4	5
13	Metals, machinery, and implements.....	59	338	6,561	170	782	40
14	Iron and steel.....	13	89	2,200	76	243	18
15	Machinery and implements.....	40	229	3,865	66	525	22
16	Metal working, not specified.....	6	20	496	28	14	.....
17	Stone, clay, china, and glass.....	9	33	210	5	23	1
18	Glass manufactures.....	1	7	79	.....	1	.....
19	China ware.....	1	5	19	.....	1	.....
20	Earthenware.....	1	3	33	3	6	.....
21	Mineral products, not specified.....	6	18	79	2	15	1
22	Animal products (hides, leather, etc.)...	1	8	87	10	12	6
23	Food products.....	51	205	586	58	108	56
24	Flour milling.....	18	108	121	1	25	6
25	Sugar and sugar refining.....	20	51	247	22	56	33
26	Food products, not specified.....	13	46	218	35	27	12
27	Chemical industry.....	8	28	203	9	16	8
28	Chemicals.....	4	11	41	1	6	2
29	Mineral oils.....	2	2	5	.....	2	4
30	Explosives.....	.....	3	9	.....	1	.....
31	Chemical industry, not specified.....	2	12	148	8	7	2
32	All other industries.....	9	.....	14	.....	4	1
	Total.....	223	962	13,890	324	1,101	209
1906.							
1	Cotton manufactures.....	52	161	4,423	25	78	111
2	Wool manufactures.....	7	96	936	11	7	18
3	Silk manufactures.....	1	.....	46	.....	1	7
4	Flax, hemp, and jute manufactures.....	6	65	916	25	10	16
5	Textile industries, not specified.....	2	4	98	4	1	4
6	Paper and printing.....	16	50	474	37	29	15

## ESTABLISHMENTS, BY INDUSTRIES, 1901 TO 1906—Continued.

Accidents caused by machinery and dangerous substances.			Accidents from other causes.								Grand total.	Marginal number.
Dangerous substances.	Explosives.	Total.	Collapse of buildings and falling objects.	Falls.	Loading, unloading, etc.	Hand implements.	Run over by wagons, etc.	Rail-road accidents.	All other causes.	Total.		
953	1	3,636	647	164	2,224	1,260	121	43	1,354	5,813	9,449	14
971	6	4,398	1,406	384	3,060	3,633	113	51	2,288	10,035	15,333	15
112	7	599	141	41	185	220	8	4	231	860	1,459	16
207	2	520	121	75	318	238	49	18	449	1,268	1,788	17
172	.....	286	59	40	138	143	3	1	332	716	1,002	18
5	.....	33	5	5	9	5	2	.....	6	32	65	19
6	.....	55	16	9	31	7	8	6	30	107	162	20
24	2	146	41	21	140	83	36	11	81	413	559	21
36	.....	159	18	26	45	50	5	4	173	321	480	22
218	7	1,259	321	214	958	250	75	203	882	2,903	4,162	23
10	5	333	23	39	44	39	4	2	98	249	582	24
120	1	491	235	114	634	129	61	198	398	1,769	2,260	25
88	1	435	63	61	280	82	10	3	386	885	1,320	26
217	4	499	121	78	272	183	31	25	260	970	1,469	27
120	2	180	32	29	88	56	7	8	69	289	469	28
35	.....	57	23	17	27	50	.....	.....	44	161	218	29
17	2	35	7	4	12	10	1	1	4	39	74	30
45	.....	227	59	28	145	67	23	16	143	481	708	31
18	.....	29	5	8	13	9	3	.....	10	48	77	32
3,083	28	17,963	3,367	1,410	8,608	6,607	579	372	8,299	29,242	47,205	
228	.....	3,605	234	161	821	381	109	8	1,791	3,505	7,110	1
39	3	914	53	45	96	71	14	2	121	402	1,316	2
1	.....	44	2	1	11	8	.....	.....	17	39	83	3
18	.....	793	70	42	114	96	38	2	253	615	1,408	4
8	.....	101	6	5	19	13	1	.....	33	77	178	5
64	.....	684	87	41	195	118	24	3	157	625	1,309	6
37	.....	350	43	23	74	51	18	2	75	286	636	7
6	.....	175	8	.....	14	7	.....	.....	15	44	219	8
21	.....	159	36	18	107	60	6	1	67	295	454	9
18	.....	1,228	160	102	524	164	62	7	320	1,339	2,567	10
13	.....	663	131	90	456	103	56	7	250	1,093	1,756	11
5	.....	565	29	12	68	61	6	.....	70	246	811	12
2,390	17	10,357	2,220	810	6,131	6,172	319	106	4,041	19,799	30,156	13
1,030	7	3,676	595	204	2,288	1,280	139	35	1,597	6,138	9,814	14
1,230	3	5,980	1,551	553	3,632	4,651	170	67	2,247	12,871	18,851	15
130	7	701	74	53	211	241	10	4	197	790	1,491	16
214	1	496	140	106	366	371	72	15	227	1,297	1,793	17
199	.....	287	39	66	177	277	5	3	124	691	978	18
1	.....	27	7	1	9	4	.....	.....	11	32	59	19
1	1	48	23	9	20	14	29	2	14	111	159	20
13	.....	134	71	30	160	76	38	10	78	463	597	21
47	.....	171	42	40	73	102	7	.....	112	376	547	22
243	3	1,310	402	219	942	371	306	39	918	3,197	4,507	23
3	2	284	24	46	74	57	4	6	90	301	585	24
161	.....	595	275	102	641	198	275	32	295	1,818	2,413	25
79	1	431	103	71	227	116	27	1	534	1,078	1,509	26
265	5	542	135	75	273	212	44	8	254	1,001	1,543	27
149	.....	214	29	35	92	77	9	1	69	312	526	28
27	.....	42	10	11	29	52	1	3	12	118	160	29
21	4	38	16	1	10	18	.....	.....	15	60	98	30
68	1	248	80	28	142	65	34	4	158	511	759	31
16	1	45	12	22	27	14	3	1	14	93	138	32
3,551	30	20,290	3,563	1,669	9,592	8,093	999	191	8,255	32,365	52,655	
279	.....	5,129	431	282	1,290	608	151	32	2,683	5,477	10,606	1
40	.....	1,115	102	75	194	81	22	2	287	763	1,878	2
4	.....	59	3	6	10	11	1	.....	15	46	105	3
22	.....	1,060	94	58	158	105	24	15	402	856	1,916	4
5	1	119	10	7	34	18	.....	.....	52	121	240	5
43	.....	664	131	46	115	92	7	16	148	555	1,219	6

NUMBER OF ACCIDENTS DUE TO EACH CAUSE, IN MANUFACTURING

Marginal num- ber.	Industry.	Accidents caused by machinery and dangerous substances.					
		Power- generat- ing ma- chines.	Belts, etc.	Machin- ery with mechan- ical power.	Machin- ery without mechan- ical power.	Eleva- tors, der- ricks, etc.	Steam boilers and steam fittings
	1906—Concluded.						
	Paper and printing—Concluded.						
7	Paper, parchment, and wall paper..	6	34	221	12	14	13
8	Printing and engraving.....	8	6	134	21	3	.....
9	Paper and printing, not specified....	2	10	119	4	12	2
10	Wood manufactures.....	8	66	1,271	6	50	10
11	Lumber sawing.....	7	58	567	1	40	8
12	Woodworking, not specified.....	1	8	704	5	10	2
13	Metals, machinery, and implements.....	68	352	6,934	176	858	69
14	Iron and steel.....	18	95	2,401	73	248	28
15	Machinery and implements.....	35	230	4,014	51	594	33
16	Metal working, not specified.....	15	27	519	82	16	8
17	Stone, clay, china, and glass.....	13	28	210	5	27	5
18	Glass manufactures.....	5	5	85	2	2	2
19	China ware.....	2	3	10	.....	1	1
20	Earthenware.....	1	7	34	.....	5	.....
21	Mineral products, not specified.....	5	13	81	3	19	2
22	Animal products (hides, leather, etc.)...	2	9	131	10	7	10
23	Food products.....	39	284	714	45	123	88
24	Flour milling.....	19	118	166	3	15	22
25	Sugar and sugar refining.....	12	97	304	7	74	48
26	Food products, not specified.....	8	69	244	35	34	18
27	Chemical industry.....	13	25	186	11	25	14
28	Chemicals.....	6	12	43	3	12	8
29	Mineral oils.....	3	.....	9	1	2	.....
30	Explosives.....	.....	1	9	1	2	.....
31	Chemical industry, not specified.....	4	12	125	6	9	6
32	All other industries.....	6	1	16	1	2	8
	Total.....	233	1,141	16,355	356	1,218	375

ESTABLISHMENTS, BY INDUSTRIES, 1901 TO 1906—Concluded.

Accidents caused by machinery and dangerous substances.			Accidents from other causes.								Grand total.	Marginal number.
Dangerous substances.	Explosives.	Total.	Collapse of buildings and falling objects.	Falls.	Loading, unloading, etc.	Hand implements.	Run over by wagons, etc.	Rail-road accidents.	All other causes.	Total.		
15	.....	315	41	26	45	43	5	10	75	245	560	7
5	.....	177	11	7	16	6	.....	1	16	57	234	8
23	.....	172	79	13	54	43	2	5	57	253	425	9
18	.....	1,429	217	154	514	177	41	41	323	1,467	2,896	10
12	.....	693	184	143	487	124	36	38	265	1,277	1,970	11
6	.....	736	33	11	27	53	5	3	58	190	926	12
1,811	14	10,282	2,702	829	5,886	6,688	220	234	4,259	20,818	31,100	13
719	9	3,591	797	191	2,352	1,501	129	80	1,731	6,781	10,372	14
948	2	5,907	1,758	571	3,289	4,911	86	148	2,272	13,035	18,942	15
144	3	784	147	67	245	276	5	6	256	1,002	1,786	16
165	2	455	179	119	463	450	58	51	363	1,683	2,138	17
130	1	232	56	49	200	274	3	2	197	781	1,013	18
3	.....	20	11	10	14	12	3	5	21	76	96	19
4	.....	51	26	10	24	10	17	16	27	130	181	20
28	1	152	86	50	225	154	35	28	118	696	848	21
63	.....	232	49	42	116	129	5	5	126	472	704	22
303	1	1,597	513	293	1,184	439	376	37	989	3,831	5,428	23
8	.....	351	47	64	98	65	7	1	97	379	730	24
204	.....	746	351	143	803	251	353	24	395	2,320	3,066	25
91	1	500	115	86	283	123	16	12	497	1,132	1,632	26
254	5	533	177	95	283	213	25	66	278	1,137	1,670	27
143	1	228	39	29	98	63	12	20	87	348	576	28
26	.....	41	7	22	32	59	2	1	17	140	181	29
12	4	29	11	2	16	19	.....	4	8	60	89	30
73	.....	235	120	42	137	72	11	41	166	589	824	31
24	.....	58	25	26	43	54	2	2	32	184	242	32
3,031	23	22,732	4,633	2,032	10,290	9,065	932	501	9,953	37,410	60,142	



PER CENT OF ACCIDENTS DUE TO EACH CAUSE, IN MANU

[Source: Ministerstvo Torgovli i Promyshlennosti. Otdel promyshl.

Marginal number.	Industry.	Accidents caused by machinery and dangerous substances.					
		Power-generating machines.	Belts, etc.	Machinery with mechanical power.	Machinery without mechanical power.	Elevators, derricks, etc.	Steam boilers and steam fittings.
1901.							
1	Cotton manufactures.....	1.08	2.22	56.66	0.56	1.37	1.35
2	Wool manufactures.....	1.05	6.61	64.01	.95	.73	2.10
3	Silk manufactures.....	10.00	6.66	50.00			
4	Flax, hemp, and jute manufactures.....	1.71	4.27	54.70	.71	1.14	1.14
5	Textiles, not specified.....		5.26	66.66	7.02	3.51	
6	Paper and printing.....	1.99	6.78	43.34	3.04	3.27	1.75
7	Wood manufactures.....	.83	4.57	47.54	.83	2.64	.42
8	Metals, machinery, and implements.....	.59	1.10	21.89	1.25	4.41	.57
9	Mineral products.....	.77	4.90	17.00	1.22	3.37	.31
10	Animal products (hides, leather, etc.)...	1.53	3.44	21.19	.76	1.53	3.81
11	Food products.....	2.08	6.09	13.98	.69	4.96	2.98
12	Chemical products.....	1.20	1.93	17.59	.48	.96	1.45
13	All other industries.....	2.22		28.89		4.45	
Total.....		1.00	2.72	31.98	1.05	3.36	1.14
1902.							
1	Cotton manufactures.....	.75	2.14	47.86	.45	.86	.78
2	Wool manufactures.....	1.50	5.71	60.26	1.00	.70	1.20
3	Silk manufactures.....		2.04	65.31	4.08	2.04	
4	Flax, hemp, and jute manufactures.....	.70	2.45	58.92	.52	.52	.87
5	Textiles, not specified.....	1.55	3.87	50.39	1.55		2.33
6	Paper and printing.....	1.99	4.75	40.44	3.54	2.65	1.44
7	Wood manufactures.....	.88	3.85	43.68	.61	1.69	.81
8	Metals, machinery, and implements.....	.45	1.21	21.20	.90	3.81	.36
9	Mineral products.....	.68	5.65	16.61	.69	2.40	.34
10	Animal products (hides, leather, etc.)...	2.89	3.31	22.32	1.65	2.89	.41
11	Food products.....	1.59	5.23	11.95	.64	2.63	2.20
12	Chemical products.....	.85	1.52	13.47	.57	.95	1.80
13	All other industries.....	12.36		8.99		2.25	3.37
Total.....		.86	2.48	29.76	.84	2.52	.84
1903.							
1	Cotton manufactures.....	.45	2.11	44.53	.33	.43	.86
2	Wool manufactures.....	.84	4.06	61.51	.28	.74	1.96
3	Silk manufactures.....	2.50	3.75	51.25		1.25	6.25
4	Flax, hemp, and jute manufactures.....	.55	2.39	55.61	.74	.74	1.29
5	Textiles, not specified.....	.93	1.87	62.62	2.80		
6	Paper and printing.....	1.54	3.74	42.25	1.87	2.31	1.21
7	Wood manufactures.....	.99	3.22	42.81	.94	1.49	.55
8	Metals, machinery, and implements.....	.31	1.03	20.83	.87	3.70	.42
9	Mineral products.....	.44	3.70	19.53	.74	2.81	.89
10	Animal products (hides, leather, etc.)...	.75	4.53	23.39	1.89	2.64	1.89
11	Food products.....	2.22	5.97	12.87	.53	2.43	3.25
12	Chemical products.....	.49	1.86	12.70	1.13	1.05	1.78
13	All other industries.....	10.29	1.47	11.77	1.47		4.41
Total.....		.69	2.29	28.78	.75	2.39	1.02
1904.							
1	Cotton manufactures.....	.42	1.36	44.84	.15	.76	.71
2	Wool manufactures.....	.49	6.10	49.88	.57	1.14	.33
3	Silk manufactures.....	1.33	2.67	42.67	1.33	1.33	4.00
4	Flax, hemp, and jute manufactures.....	.37	2.29	49.31	1.46	.27	.37
5	Textiles, not specified.....		2.53	45.57	4.43	.63	
6	Paper and printing.....	1.29	2.90	39.00	4.35	1.53	2.10
7	Paper, parchment, and wall paper ..	1.82	4.63	38.68	4.29	1.82	2.64
8	Printing and engraving.....	.42	1.67	60.00	8.33	1.67	2.08
9	Paper and printing, not specified....	1.01	1.01	26.77	2.02	1.01	1.26
10	Wood manufactures.....	.58	1.66	42.92	1.05	2.17	.19
11	Lumber sawing.....	.72	2.11	32.30	.22	2.94	.22
12	Woodworking, not specified.....	.26	.64	67.39	2.94	.38	.13
13	Metals, machinery, and implements.....	.31	.80	19.95	.84	3.03	.16
14	Iron and steel.....	.24	1.02	23.27	1.15	2.58	.13

FACTURING ESTABLISHMENTS, BY INDUSTRIES, 1901 TO 1906.  
lennosti. Statistika neschastnykh sluchaev s rabochimi, 1901-1906.]

Accidents caused by machinery and dangerous substances.			Accidents from other causes.								Marginal number.
Dangerous substances.	Explosives.	Total.	Collapse of buildings and falling objects.	Falls.	Loading, unloading, etc.	Hand implements.	Run over by wagons, etc.	Rail-road accidents.	All other causes.	Total.	
3.19	0.02	66.40	4.48	4.23	9.17	4.84	1.16	0.31	9.41	33.60	1
.....	3.25	78.70	2.83	4.83	5.35	3.88	.84	.21	3.36	21.30	2
6.67	.....	73.33	3.33	6.67	10.00	3.33	.....	.....	3.34	26.67	3
1.57	.....	65.24	3.85	7.12	7.84	5.41	1.99	.57	7.98	34.76	4
3.51	.....	85.96	1.76	5.26	3.51	.....	.....	.....	3.51	14.04	5
2.45	.....	62.62	6.43	4.79	10.16	6.66	1.64	2.22	5.48	37.38	6
.83	.....	57.66	10.12	5.96	15.45	5.82	.97	2.01	2.01	42.34	7
6.88	.80	36.77	8.86	4.21	20.10	21.63	.98	2.36	5.09	63.23	8
7.20	.45	35.22	15.01	8.88	13.63	9.03	3.06	6.58	8.59	64.78	9
9.54	.....	45.80	3.44	9.54	13.36	9.54	1.91	.76	15.65	54.20	10
6.81	.....	37.57	13.30	8.89	15.71	6.34	1.09	8.24	8.86	62.43	11
21.45	.12	45.18	7.35	7.59	15.54	10.96	1.33	4.10	7.95	54.82	12
20.00	.....	55.56	11.11	8.89	4.45	13.33	.....	2.22	4.44	44.44	13
5.95	.06	47.26	8.22	5.27	15.64	13.42	1.14	2.63	6.42	52.74	
3.41	.....	56.25	4.89	3.54	10.76	5.85	1.94	.19	16.58	43.75	1
2.70	.....	73.07	2.50	4.51	8.61	3.70	.80	.30	6.51	26.93	2
2.04	.....	75.51	6.12	4.08	2.04	.....	.....	.....	12.25	24.49	3
1.05	.....	65.03	3.85	2.62	4.90	7.17	1.75	.87	13.81	34.97	4
2.33	.....	62.02	5.43	3.10	9.30	6.20	1.55	.....	12.40	37.98	5
2.65	.....	57.46	6.96	2.98	16.35	7.63	1.66	.22	6.74	42.54	6
1.15	.....	52.67	6.62	3.92	20.59	6.35	2.56	.61	6.68	47.33	7
5.07	.10	33.10	7.54	2.72	20.83	21.85	2.24	.68	11.04	66.90	8
4.28	.34	30.99	12.84	8.39	11.30	9.76	9.93	1.71	15.08	69.01	9
12.40	.....	45.87	4.96	8.68	12.40	8.26	2.07	.41	17.35	54.13	10
8.65	.07	32.96	16.24	5.54	16.92	6.69	3.85	5.44	12.36	67.04	11
17.27	.95	37.38	8.92	4.84	14.14	15.27	4.17	.76	14.52	62.62	12
12.36	1.12	40.45	2.37	6.74	5.62	22.47	1.12	4.50	15.73	59.55	13
5.20	.11	42.61	7.76	3.64	16.59	13.59	2.53	1.13	12.15	57.39	
3.70	.02	52.43	3.92	3.11	13.11	6.51	1.56	.09	19.27	47.57	1
3.26	.....	73.25	4.01	4.48	6.99	4.66	.28	.09	6.24	26.75	2
3.75	.....	68.75	2.50	2.50	1.25	6.25	1.25	.....	17.50	31.25	3
.74	.....	62.06	4.97	2.21	7.73	5.71	1.11	.37	15.84	37.94	4
5.61	.....	73.83	5.61	4.68	7.47	2.80	.....	.....	5.61	26.17	5
3.74	.11	56.77	6.16	3.96	15.18	6.93	.66	1.76	8.58	43.23	6
1.14	.....	51.14	5.60	4.16	21.75	7.38	2.23	.40	7.34	48.86	7
6.82	.10	34.08	9.21	2.78	20.47	21.04	.75	1.67	10.00	65.92	8
4.73	.15	32.99	12.72	6.06	12.28	11.54	3.85	5.33	15.23	67.01	9
7.55	.....	42.64	6.04	6.41	15.47	11.32	1.51	.....	16.61	57.36	10
6.98	.03	34.28	16.33	5.38	14.94	6.03	5.77	2.90	14.37	65.72	11
18.29	.24	37.54	9.06	5.10	19.17	11.73	.65	2.59	14.16	62.46	12
11.77	.....	41.18	4.41	10.29	14.71	5.88	13.24	2.94	7.35	58.82	13
5.92	.07	41.91	8.31	3.50	17.22	13.51	1.64	1.42	12.49	58.09	
2.88	.02	51.14	3.74	2.93	9.70	5.61	1.39	.09	25.40	48.86	1
3.74	.....	62.25	4.72	4.31	7.89	4.56	1.22	.....	15.05	37.75	2
5.34	.....	58.67	1.33	2.67	2.67	14.68	.....	.....	20.00	41.33	3
1.19	.....	55.28	6.13	4.03	7.23	4.85	1.65	.09	20.76	44.74	4
7.60	.....	60.76	3.17	3.17	6.96	2.53	1.26	.....	22.15	39.24	5
4.59	.....	55.76	5.08	2.66	12.49	8.46	1.05	.24	14.26	44.24	6
4.63	.....	58.51	5.12	1.98	11.08	8.10	1.49	.33	13.39	41.49	7
1.25	.....	75.42	1.25	3.75	7.08	2.08	.....	.....	10.42	24.58	8
6.57	.....	39.65	7.32	3.03	17.93	12.88	1.01	.25	17.93	60.35	9
1.12	.....	49.69	5.65	3.44	21.21	6.34	1.32	.54	11.81	50.31	10
1.00	.....	39.51	6.88	4.27	27.64	5.94	1.66	.67	13.43	60.49	11
1.41	.....	73.15	2.81	1.53	6.39	7.29	.51	.26	8.06	26.85	12
7.76	.06	32.90	8.35	2.25	20.85	19.49	.92	.37	14.87	67.10	13
10.09	.01	38.49	6.85	1.73	23.54	13.33	1.28	.45	14.33	61.51	14

PER CENT OF ACCIDENTS DUE TO EACH CAUSE, IN MANUFACTURING

Marginal number.	Industry.	Accidents caused by machinery and dangerous substances.					
		Power generating machines.	Belts, etc.	Machinery with mechanical power.	Machinery without mechanical power.	Elevators, derricks, etc.	Steam boilers and steam fittings.
1904—Concluded.							
Metals, machinery, and implements—Concluded.							
15	Machinery and implements.....	0.25	0.65	17.35	0.46	3.46	0.14
16	Metal working, not specified.....	1.30	.96	25.77	2.74	1.44	.69
17	Stone, clay, china, and glass.....	.39	2.96	11.47	.67	1.85	.05
18	Glass manufactures.....	.30	1.09	9.58	.20	.20	.....
19	China ware.....	1.54	13.85	21.54	1.54	4.61	.....
20	Earthenware.....	.62	6.17	16.05	2.47	4.94	.....
21	Mineral products, not specified.....	.36	4.12	12.34	.89	3.58	.18
22	Animal products (hides, leather, etc.)...	.42	2.29	18.96	1.87	1.87	.21
23	Food products.....	1.42	4.88	12.85	.94	2.67	2.09
24	Flour milling.....	2.41	19.07	26.98	.69	3.95	1.55
25	Sugar and sugar refining.....	1.24	2.12	7.26	.31	2.61	2.83
26	Food products, not specified.....	1.29	3.33	16.21	2.12	2.20	1.06
27	Chemical industry.....	1.02	1.84	13.27	.89	1.09	.82
28	Chemicals.....	1.28	1.28	6.61	.85	1.07	1.28
29	Mineral oils.....	.46	.....	8.26	.....	.....	1.38
30	Explosives.....	.....	.....	18.92	1.35	.....	1.35
31	Chemical industry, not specified.....	1.13	2.97	18.64	1.13	1.55	.28
32	All other industries.....	3.89	2.60	5.19	.....	1.30	1.30
Total.....		.50	1.66	25.57	.88	2.35	.50
1905.							
1	Cotton manufactures.....	.56	1.49	43.85	.18	.72	.69
2	Wool manufactures.....	1.06	5.40	58.06	.23	.84	.68
3	Silk manufactures.....	.....	2.41	46.99	1.21	.....	1.20
4	Flax, hemp, and jute manufactures.....	.36	2.77	49.08	.92	1.21	.71
5	Textiles, not specified.....	.56	3.37	41.57	3.37	2.25	1.12
6	Paper and printing.....	1.15	3.97	36.21	1.99	2.98	1.07
7	Paper, parchment, and wall paper ..	.79	6.13	37.11	.47	3.77	.94
8	Printing and engraving.....	2.28	2.74	63.47	6.40	2.28	.....
9	Paper and printing, not specified....	1.10	1.54	21.81	1.98	2.20	1.76
10	Wood manufactures.....	.43	2.88	41.64	.39	1.33	.47
11	Lumber sawing.....	.63	3.47	30.70	.11	1.71	.40
12	Woodworking, not specified.....	.....	1.60	65.35	.99	.49	.62
13	Metals, machinery, and implements.....	.20	1.12	21.76	.56	2.59	.13
14	Iron and steel.....	.13	.91	22.42	.77	2.48	.18
15	Machinery and implements.....	.21	1.22	20.50	.35	2.78	.12
16	Metal working, not specified.....	.40	1.34	33.27	1.88	.94	.....
17	Stone, clay, china, and glass.....	.50	1.84	11.71	.28	1.28	.06
18	Glass manufactures.....	.10	.72	8.08	.....	.10	.....
19	China ware.....	1.69	8.48	32.21	.....	1.69	.....
20	Earthenware.....	.63	1.89	20.75	1.89	3.77	.....
21	Mineral products, not specified.....	1.01	3.02	13.23	.34	2.51	.17
22	Animal products, (hides, leather, etc.)...	.18	1.47	15.91	1.83	2.19	1.10
23	Food products.....	1.13	4.55	13.00	1.29	2.40	1.24
24	Flour milling.....	3.08	18.46	20.68	.17	4.28	1.03
25	Sugar and sugar refining.....	.83	2.11	10.24	.91	2.32	1.58
26	Food products, not specified.....	.86	3.05	14.45	2.32	1.79	.79
27	Chemical industry.....	.52	1.81	13.16	.58	1.04	.52
28	Chemicals.....	.76	2.09	7.79	.19	1.14	.38
29	Mineral oils.....	1.25	1.25	3.12	.....	1.25	2.50
30	Explosives.....	.....	3.06	9.19	.....	1.02	.....
31	Chemical industry, not specified....	.26	1.58	19.50	1.06	.92	.26
32	All other industries.....	6.52	.....	10.15	.....	2.90	.72
Total.....		.42	1.83	26.38	.62	2.09	.40
1906.							
1	Cotton manufactures.....	.49	1.52	41.70	.23	.74	1.05
2	Wool manufactures.....	.37	5.11	49.84	.59	.37	.96
3	Silk manufactures.....	.95	.....	43.81	.....	.95	6.67
4	Flax, hemp, and jute manufactures.....	.31	3.39	47.81	1.30	.52	.84
5	Textiles, not specified.....	.83	1.67	40.83	1.67	.42	1.66
6	Paper and printing.....	1.31	4.10	38.88	3.04	2.38	1.23
7	Paper, parchment, and wall paper...	1.07	6.07	39.47	2.14	2.50	2.32
8	Printing and engraving.....	3.42	2.56	57.27	8.97	1.28	.....
9	Paper and printing, not specified....	.47	2.35	28.00	.94	2.83	.47

## ESTABLISHMENTS, BY INDUSTRIES, 1901 TO 1906—Continued.

Accidents caused by machinery and dangerous substances.			Accidents from other causes.								Marginal number.
Dangerous substances.	Explosives.	Total.	Collapse of buildings and falling objects.	Falls.	Loading, unloading, etc.	Hand implements.	Run over by wagons, etc.	Railroad accidents.	All other causes.	Total.	
6.33	0.04	28.68	9.16	2.51	19.96	23.69	0.74	0.34	14.92	71.32	15
7.68	.48	41.06	9.67	2.81	12.68	15.08	.54	.27	17.89	58.94	16
11.58	.11	29.08	6.77	4.19	17.79	13.31	2.74	1.01	25.11	70.92	17
17.17	.....	28.54	5.89	3.99	13.77	14.28	.30	.10	33.13	71.46	18
7.69	.....	50.77	7.69	7.69	13.85	7.69	3.08	.....	9.23	49.23	19
3.70	.....	33.95	9.87	5.56	19.14	4.32	4.94	3.70	18.52	66.05	20
4.29	.36	26.12	7.33	3.76	25.04	14.85	6.44	1.97	14.49	73.88	21
7.50	.....	33.12	3.75	5.42	9.38	10.42	1.04	.83	36.04	66.88	22
5.24	.16	30.25	7.71	5.14	23.02	6.01	1.80	4.88	21.19	69.75	23
1.72	.85	57.22	3.95	6.70	7.56	6.70	.69	.34	16.84	42.78	24
5.31	.05	21.73	10.40	5.04	28.05	5.71	2.70	8.76	17.61	78.27	25
6.67	.07	32.95	4.77	4.62	21.21	6.21	.76	.23	29.25	67.05	26
14.77	.27	33.97	8.23	5.31	18.52	12.46	2.11	1.70	17.70	66.03	27
25.59	.42	38.38	6.82	6.18	18.77	11.94	1.49	1.71	14.71	61.62	28
16.05	.....	26.15	10.55	7.79	12.39	22.93	.....	.....	20.19	73.85	29
22.98	2.70	47.30	9.46	5.40	16.22	13.52	1.35	1.35	5.40	52.70	30
6.36	.....	32.06	8.33	3.98	20.48	9.46	3.25	2.26	20.20	67.94	31
23.38	.....	37.66	6.49	10.39	16.89	11.69	3.89	.....	12.99	62.34	32
6.53	.06	38.05	7.13	2.99	18.24	13.99	1.23	.79	17.58	61.95	
3.21	.....	50.70	3.29	2.27	11.55	5.36	1.53	.11	25.19	49.30	1
2.96	.22	69.45	4.03	3.42	7.29	5.40	1.06	.15	9.20	30.55	2
1.20	.....	53.01	2.41	1.20	13.25	9.64	.....	.....	20.49	46.99	3
1.27	.....	56.32	4.97	2.98	8.10	6.82	2.70	.14	17.97	43.68	4
4.50	.....	56.74	3.37	2.81	10.68	7.30	.56	.....	18.54	43.26	5
4.88	.....	52.25	6.65	3.13	14.90	9.01	1.83	.23	12.00	47.75	6
5.82	.....	55.03	6.76	3.62	11.64	8.02	2.83	.31	11.79	44.97	7
2.74	.....	79.91	3.65	.....	6.39	3.20	.....	.....	6.85	20.09	8
4.63	.....	35.02	7.93	3.96	23.57	13.22	1.32	.22	14.76	64.98	9
.70	.....	47.84	6.23	3.97	20.41	6.38	2.41	.27	12.49	52.16	10
.74	.....	37.76	7.46	5.13	25.97	5.87	3.19	.39	14.23	62.24	11
.62	.....	69.67	3.58	1.48	8.38	7.52	.74	.....	8.63	30.33	12
7.93	.05	34.34	7.36	2.69	20.33	20.47	1.06	.35	13.40	65.66	13
10.50	.07	37.46	6.06	2.08	23.31	3.04	1.42	.36	16.27	62.54	14
6.52	.02	31.72	8.23	2.93	19.27	24.67	.90	.36	11.92	68.28	15
8.72	.47	47.02	4.96	3.56	14.15	.16	.67	.27	13.21	52.98	16
11.93	.06	27.66	7.81	5.91	20.41	20.69	4.02	.84	12.66	72.34	17
20.35	.....	29.35	3.99	6.75	18.10	28.32	.51	.31	12.67	70.65	18
1.69	.....	45.76	11.86	1.69	15.26	6.78	.....	.....	18.65	54.24	19
.63	.63	30.19	14.47	5.66	12.58	8.81	18.24	1.25	8.80	69.81	20
2.17	.....	22.45	11.89	5.02	26.80	12.73	6.37	1.68	13.06	77.55	21
8.58	.....	31.26	7.68	7.31	13.35	18.65	1.28	.....	20.47	68.74	22
5.39	.07	29.07	8.92	4.86	20.91	8.23	6.79	.86	20.36	70.93	23
.51	.34	48.55	4.10	7.86	12.65	9.74	.68	1.03	15.39	51.45	24
6.67	.....	24.66	11.40	4.23	26.56	8.21	11.39	1.33	12.22	75.34	25
5.23	.07	28.56	6.83	4.71	15.04	7.69	1.79	.06	35.32	71.44	26
17.18	.32	35.13	8.75	4.86	17.69	13.74	2.85	.52	16.46	64.87	27
28.33	.....	40.68	5.51	6.66	17.49	14.64	1.71	.19	13.12	59.32	28
16.88	.....	26.25	6.25	6.88	18.12	32.50	.62	1.88	7.50	73.75	29
21.43	4.08	38.78	16.32	1.02	10.20	18.37	.....	.....	15.31	61.22	30
8.96	.13	32.67	10.54	3.69	18.71	8.56	4.48	.53	20.82	67.33	31
11.59	.73	32.61	8.70	15.94	19.57	10.15	2.17	.72	10.14	67.39	32
6.74	.05	38.53	6.77	3.17	18.22	15.37	1.89	.36	15.69	61.47	
2.63	.....	48.36	4.07	2.66	12.16	5.73	1.42	.30	25.30	51.64	1
2.13	.....	59.37	5.43	3.99	10.33	4.32	1.17	.11	15.28	40.63	2
3.81	.....	56.19	2.86	5.71	9.52	10.48	.95	.....	14.29	43.81	3
1.15	.....	55.32	4.91	3.03	8.25	5.48	1.25	.78	20.98	44.68	4
2.08	.42	49.58	4.17	2.92	14.17	7.50	.....	.....	21.66	50.42	5
3.53	.....	54.47	10.75	3.77	9.43	7.55	.58	1.31	12.14	45.53	6
2.68	.....	56.25	7.32	4.64	8.03	7.68	.89	1.79	13.40	43.75	7
2.14	.....	75.64	4.70	2.99	6.84	2.56	.....	.43	6.84	24.36	8
5.41	.....	40.47	18.59	3.06	12.71	10.12	.47	1.17	13.41	59.53	9

PER CENT OF ACCIDENTS DUE TO EACH CAUSE, IN MANUFACTURING

Marginal number.	Industry.	Accidents caused by machinery and dangerous substances.					
		Power generating machines.	Belts, etc.	Machinery with mechanical power.	Machinery without mechanical power.	Elevators, derricks, etc.	Steam boilers and steam fittings.
	<b>1906—Concluded.</b>						
10	Wood manufactures.....	0.28	2.28	43.89	0.21	1.72	0.34
11	Lumber sawing.....	.36	2.94	28.78	.05	2.03	.41
12	Woodworking, not specified.....	.11	.86	76.02	.54	1.08	.22
13	Metals, machinery, and implements.....	.22	1.13	22.29	.57	2.76	.22
14	Iron and steel.....	.17	.92	23.15	.70	2.39	.27
15	Machinery and implements.....	.18	1.22	21.19	.27	3.14	.17
16	Metal working, not specified.....	.84	1.51	29.06	2.91	.90	.45
17	Stone, clay, china, and glass.....	.61	1.31	9.83	.23	1.26	.23
18	Glass manufactures.....	.49	.49	8.39	.20	.20	.20
19	China ware.....	2.08	3.12	10.42	.....	1.04	1.04
20	Earthenware.....	.55	3.87	18.79	.....	2.76	.....
21	Mineral products, not specified.....	.59	1.53	9.55	.35	2.24	.24
22	Animal products (hides, leather, etc.)...	.28	1.28	18.61	1.42	.99	1.42
23	Food products.....	.72	5.23	13.15	.83	2.27	1.62
24	Flour milling.....	2.60	16.17	22.74	.41	2.05	3.01
25	Sugar and sugar refining.....	.39	3.16	9.92	.23	2.41	1.57
26	Food products, not specified.....	.49	4.23	14.95	2.15	2.08	1.10
27	Chemical industry.....	.78	1.50	11.14	.06	1.50	.83
28	Chemicals.....	1.04	2.08	7.47	.52	2.08	1.39
29	Mineral oils.....	1.66	.....	4.97	.55	1.10	.....
30	Explosives.....	.....	1.12	10.11	1.12	2.25	.....
31	Chemical industry, not specified.....	.48	1.46	15.17	.73	1.09	.73
32	All other industries.....	2.48	.41	6.61	.41	.83	3.31
	Total.....	.39	1.90	27.19	.59	2.03	.62

NATURE OF INJURIES.—Wounds and fractures constitute the greater portion of industrial accidents (72.39 per cent in 1906), and the second largest group consists of traumatic injuries without laceration (18.48 per cent), most of which are injuries of a lighter nature. Of wounds and fractures, the most important items are injuries to the fingers, these constituting 33.36 per cent of all accidents, as against 14.01 per cent to the lower extremities. Injuries of the left-hand fingers claimed 16.96 per cent and those of the right-hand fingers almost as many, 16.18 per cent, while injuries to fingers of both hands were rare.

Considerable variations exist between the different industrial groups in regard to the nature of injuries. Burns and scalds are most frequent in the chemical industry, especially in the production

## ESTABLISHMENTS, BY INDUSTRIES, 1901 TO 1906—Concluded.

Accidents caused by machinery and dangerous substances.			Accidents from other causes.								Marginal number.
Dangerous substances.	Explosives.	Total.	Collapse of buildings and falling objects.	Falls.	Loading, unloading, etc.	Hand implements.	Run over by wagons, etc.	Rail-road accidents.	All other causes.	Total.	
0.62	.....	49.34	7.49	5.32	17.75	6.11	1.42	1.42	11.15	50.66	10
.61	.....	35.18	9.34	7.26	24.72	6.29	1.83	1.93	13.45	64.82	11
.65	.....	79.48	3.56	1.19	2.92	5.72	.54	.32	6.27	20.52	12
5.82	0.05	33.06	8.69	2.67	18.93	21.50	.71	.75	13.69	66.94	13
6.93	.09	34.62	7.69	1.84	22.68	14.47	1.24	.77	16.69	66.38	14
5.00	.01	31.18	9.28	3.02	17.36	25.93	.45	.78	12.00	68.82	15
8.06	.17	43.90	8.23	3.75	13.72	15.45	.28	.34	14.33	56.10	16
7.72	.09	21.28	8.37	5.57	21.66	21.05	2.71	2.39	16.97	78.72	17
12.83	.10	22.90	5.53	4.84	19.74	27.05	.30	.20	19.44	77.10	18
3.13	.....	20.83	11.46	10.42	14.58	12.50	3.13	5.21	21.87	79.17	19
2.21	.....	28.18	14.37	5.52	13.26	5.52	9.39	8.84	14.92	71.82	20
3.30	.12	17.92	10.14	5.90	26.53	18.16	4.13	3.30	13.92	82.08	21
8.95	.....	32.95	6.96	5.97	16.48	18.32	.71	.71	17.90	67.05	22
5.58	.02	29.42	9.45	5.40	21.81	8.09	6.93	.68	18.22	70.58	23
1.10	.....	48.08	6.44	8.77	13.42	8.90	.96	.14	13.29	51.92	24
6.65	.....	24.33	11.45	4.67	26.19	8.19	11.51	.78	12.88	75.67	25
5.58	.06	30.64	7.05	5.27	17.34	7.54	.98	.73	30.45	69.36	26
15.21	.30	31.92	10.60	5.69	16.94	12.75	1.50	3.95	16.65	68.08	27
24.83	.17	39.58	6.77	5.04	17.01	10.94	2.08	3.47	15.11	60.42	28
14.37	.....	22.65	3.87	12.16	17.68	32.60	1.10	.55	9.39	77.35	29
13.49	4.49	32.58	12.36	2.25	17.98	21.35	.....	4.49	8.99	67.42	30
8.86	.....	28.52	14.56	5.10	16.63	8.74	1.33	4.98	20.14	71.48	31
9.92	.....	23.97	10.33	10.74	17.77	22.31	.83	.83	13.22	76.03	32
5.04	.04	37.80	7.70	3.38	17.11	15.07	1.55	.83	16.56	62.20	

of chemicals and explosives, in the manufacture of glass, and in the iron and steel industry; i. e., in those branches of industry in which incandescent materials are handled. The chemical industry presents especial danger of burns to eyes. Wounds and fractures of fingers are frequent in all industries, but are relatively highest in wood-working, not specified, constituting 78.2 per cent of all accidents in that industry in 1906. Traumatic injuries to eyes show the highest proportion in the machinery-building industry, due to flying particles of metal. Injuries to lower extremities are highest in the sugar refineries and earthenware establishments.

In the two tables following the number and per cent of injuries of each class are shown by industries for the years 1901 to 1906.



## NUMBER OF INJURIES OF EACH SPECIFIED CLASS, IN MANU

[Source: Ministerstvo Torgovli i Promyshlennosti. Otdel promysh]

Industry.	Burns and scalds.				Trau- matism without lacera- tions.	Wounds, fractures, etc.		
	One part of body, ex- cept eyes.	Sev- eral parts of body, ex- cept eyes.	Eyes.	Total.		Head, face (except eyes), and neck.	One eye.	Both eyes.
1901.								
Cotton manufactures.....	140	91	36	267	598	299	106	.....
Wool manufactures.....	20	22	5	47	107	53	12	.....
Silk manufactures.....	1	1	.....	2	1	1	.....	1
Flax, hemp, and jute manufactures.....	15	7	2	24	108	50	19	.....
Textiles, not specified.....	4	.....	.....	4	8	2	1	.....
Paper and printing.....	39	12	3	54	69	47	16	.....
Wood manufactures.....	7	11	2	20	201	100	19	1
Metals, machinery, and implements.....	677	225	283	1,185	2,103	588	907	10
Mineral products.....	24	22	10	56	69	61	20	.....
Animal products (hides, leather, etc.).....	11	20	4	35	17	24	2	.....
Food products.....	107	128	13	248	124	188	46	4
Chemical industry.....	45	46	34	125	123	32	20	1
All other industries.....	1	6	1	8	4	2	1	.....
Total.....	1,091	591	393	2,075	3,532	1,447	1,169	17
1902.								
Cotton manufactures.....	172	88	37	297	1,149	358	107	.....
Wool manufactures.....	21	20	2	43	136	34	17	.....
Silk manufactures.....	2	1	.....	3	5	1	.....	.....
Flax, hemp, and jute manufactures.....	9	5	2	16	119	40	14	1
Textiles, not specified.....	5	4	1	10	21	7	3	.....
Paper and printing.....	25	17	3	45	144	60	17	.....
Wood manufactures.....	11	17	2	30	319	93	20	.....
Metals, machinery, and implements.....	713	193	251	1,157	2,602	508	862	7
Mineral products.....	29	16	2	47	116	42	16	1
Animal products (hides, leather, etc.).....	9	13	8	30	32	12	5	1
Food products.....	164	161	14	339	207	172	49	2
Chemical industry.....	72	52	42	166	263	38	40	.....
All other industries.....	4	9	4	17	9	8	5	.....
Total.....	1,236	596	368	2,200	5,122	1,373	1,155	12
1903.								
Cotton manufactures.....	226	125	91	442	1,505	444	136	6
Wool manufactures.....	22	26	9	57	182	53	13	.....
Silk manufactures.....	3	7	1	11	4	6	2	.....
Flax, hemp, and jute manufactures.....	11	6	2	19	108	26	9	.....
Textiles, not specified.....	2	5	.....	7	18	4	3	.....
Paper and printing.....	22	23	4	49	157	42	22	.....
Wood manufactures.....	15	22	2	39	449	79	47	1
Metals, machinery, and implements.....	969	234	364	1,567	3,847	661	904	22
Mineral products.....	30	15	5	50	123	58	20	.....
Animal products (hides, leather, etc.).....	13	14	2	29	54	12	1	.....
Food products.....	184	184	25	393	598	191	61	.....
Chemical industry.....	77	68	42	187	321	50	32	2
All other industries.....	6	5	.....	11	12	5	1	.....
Total.....	1,580	734	547	2,861	7,378	1,631	1,251	31
1904.								
Cotton manufactures.....	196	116	55	367	1,519	378	132	5
Wool manufactures.....	20	31	13	64	196	44	15	.....
Silk manufactures.....	3	4	2	9	8	6	3	.....
Flax, hemp, and jute manufactures.....	16	4	3	23	270	52	36	.....
Textiles, not specified.....	11	5	1	17	27	10	5	.....
Paper and printing.....	35	49	10	94	142	39	30	1
Paper, parchment, and wall paper.....	19	25	5	49	61	17	15	1
Printing and engraving.....	5	6	1	12	19	8	1	.....
Paper and printing, not specified.....	11	18	4	33	59	14	14	.....
Wood manufactures.....	18	20	6	44	513	121	40	.....
Lumber sawing.....	11	13	5	29	440	105	33	.....
Woodworking, not specified.....	7	7	1	15	73	16	7	.....
Metals, machinery, and implements.....	2,065	411	564	3,040	5,908	1,006	1,930	25
Iron and steel.....	1,073	221	217	1,511	2,208	297	402	3
Machinery and implements.....	891	155	318	1,364	3,420	652	1,398	18
Metal working, not specified.....	101	35	29	165	280	57	130	4

FACTURING ESTABLISHMENTS, BY INDUSTRIES, 1901 TO 1906.

lenosti. Statistika neschastnykh sluchaev s rabochimi, 1901-1906.]

Wounds, fractures, etc.												Asphyxiation by gases.	Drown ing.	All oth er in jur ies.	Grand total.
Shoulder, arm, or wrist.			Fingers.			Lower extremities.			Trunk.	Internal injuries without external wounds (chest, abdomen, skull).	Total.				
R'ht.	Left.	Both.	Right hand.	Left hand.	Both hands.	R'ht.	Left.	Both.							
344	238	18	1,034	847	13	297	285	2	81	20	3,584	1		8	4,458
83	85	1	248	212	2	35	41	3	14	5	794	4		1	953
2	4	12	5							1	26		1		30
64	51		139	156	1	40	37		9	4	570				702
3	1		20	15		1	2				45				57
67	55	3	203	193	3	61	53	3	17	8	729		1	3	856
101	100	3	285	313	16	112	103	3	37	27	1,220		2		1,443
580	646	28	1,785	1,960	25	837	761	17	176	86	8,406	2		15	11,711
59	53	1	96	75	2	56	53	8	28	8	520		1	7	653
19	21	14	34	42		12	16	1	7	4	196		1	13	262
218	202	6	370	326	6	431	355	25	114	59	2,350	7	2	13	2,744
45	40	3	124	116	2	63	32	6	11	22	517	3	1	61	830
3	4		9	8		3	2			1	33				45
1,588	1,500	89	4,352	4,263	70	1,948	1,740	68	494	245	18,990	17	9	121	24,744
310	308	8	1,090	986	18	335	283	4	64	19	3,890	2		26	5,364
98	64	3	261	241	1	33	41	3	12	12	820				999
2	2		19	12	1	2			1		40	1			49
43	38		115	108	2	22	27		16	1	427			10	572
7	5	1	27	34		4	5		4		97			1	129
73	63		202	189	3	42	41	3	15	8	716				905
86	64		277	374	3	89	64	4	33	23	1,130		1	1	1,481
487	510	6	1,775	1,827	26	695	685	21	160	78	7,647	2	3	7	11,418
33	45	3	88	65	3	44	39	1	23	7	410	6	3	2	584
27	17	1	34	39		15	6		7	5	169	1	1	9	242
191	181	7	424	366	6	411	429	10	136	20	2,404	5	4	2	2,961
41	49	1	127	132	4	53	47	5	21	16	574	4		47	1,054
2	6		10	11		6	10		4		62			1	89
1,400	1,352	30	4,449	4,384	67	1,751	1,677	51	496	189	18,386	21	12	106	25,847
350	306	9	1,233	1,144	17	394	390	7	50	16	4,502			36	6,485
87	90	1	261	235	1	36	38		13	6	834				1,073
5	4		16	26		2	2		1	1	65				80
40	26	2	117	104	1	39	26	1	12	3	406			10	543
3	12	1	27	27		1	3			1	82				107
57	55	1	200	186	2	57	56	1	20	4	703				909
106	99	3	366	523	5	118	104	8	47	20	1,528		1	1	2,018
590	552	8	2,177	2,325	36	739	771	20	160	81	9,036	3	2	23	14,478
51	48		113	88	2	54	40	2	19	5	500			3	676
12	15		45	45		8	11	2	7	4	162		1	19	265
210	177	3	505	419	5	323	356	8	79	35	2,372	12		6	3,381
37	48	3	174	156	2	57	60	2	16	18	657			71	1,236
5	4	1	5	11		2	4		4		42			3	68
1,545	1,436	32	5,239	5,289	71	1,830	1,861	51	428	194	20,889	15	4	172	31,319
363	310	9	1,258	1,211	14	464	422	8	44	56	4,674			48	6,608
106	88	2	314	256	4	45	49	4	20	21	968			1	1,229
4	6		16	18		3	2				58				75
56	59	5	229	199		59	63	1	15	19	793			7	1,093
10	10		27	34		5	8			3	112			2	158
102	89		303	272	4	58	63	2	22	16	1,001			4	1,241
49	52		148	125	1	31	29	1	13	7	489			3	605
35	12		72	61	2	8	2		4	3	208			1	240
18	25		83	86	1	19	32	1	5	6	304				396
142	119	4	445	754	4	158	139	8	62	26	2,022		1	4	2,584
108	84	2	301	339	1	136	129	8	58	24	1,328		1	4	1,802
34	35	2	144	415	3	22	10		4	2	694				782
1,172	1,154	23	3,964	4,389	77	1,415	1,430	40	269	305	17,199	1	2	91	26,241
427	366	9	1,502	1,495	31	476	489	14	73	110	5,694	1		35	9,449
673	708	12	2,221	2,631	41	886	873	25	187	179	10,504		2	43	15,333
72	80	2	241	263	5	53	68	1	9	16	1,001			13	1,459

## NUMBER OF INJURIES OF EACH SPECIFIED CLASS, IN MANUFACTURING

Industry.	Burns and scalds.				Trau- matism without lacerations.	Wounds, fractures, etc.		
	One part of body, ex- cept eyes	Sev- eral parts of body, ex- cept eyes.	Eyes.	Total.		Head, face (except eyes), and neck.	One eye.	Both eyes.
1904—Concluded.								
Stone, clay, china, and glass.....	188	41	22	251	216	80	39	2
Glass manufactures.....	164	21	15	200	52	42	9	.....
China ware.....	3	4	.....	7	7	4	1	.....
Earthenware.....	2	8	.....	10	27	12	3	.....
Mineral products, not specified.....	19	8	7	34	129	22	26	2
Animal products (hides, leather, etc.).....	23	9	11	43	56	27	8	.....
Food products.....	204	128	23	355	805	236	71	1
Flour milling.....	8	14	3	25	118	31	17	1
Sugar and sugar refining.....	141	66	11	218	461	144	37	.....
Food products, not specified.....	55	43	9	112	226	61	17	.....
Chemical industry.....	112	64	62	238	251	55	67	2
Chemicals.....	57	29	42	128	61	23	21	2
Mineral oils.....	19	16	8	43	41	7	25	.....
Explosives.....	11	5	3	19	10	1	8	.....
Chemical industry, not specified.....	25	14	9	48	139	24	13	.....
All other industries.....	8	6	4	18	15	7	4	.....
Total.....	2,899	888	776	4,563	9,926	2,061	2,380	36
1905.								
Cotton manufactures.....	252	95	53	400	1,479	345	101	2
Wool manufactures.....	24	21	15	60	109	45	28	.....
Silk manufactures.....	2	3	2	7	17	6	.....	.....
Flax, hemp, and jute manufactures.....	20	12	5	37	218	91	50	.....
Textile industries, not specified.....	9	5	1	15	14	5	4	.....
Paper and printing.....	49	32	12	93	116	58	23	1
Paper, parchment, and wall paper.....	28	18	10	56	64	32	11	1
Printing and engraving.....	5	2	.....	7	25	3	1	.....
Paper and printing, not specified.....	16	12	2	30	27	23	16	.....
Wood manufactures.....	18	17	4	39	509	134	49	1
Lumber sawing.....	12	11	2	25	418	126	47	1
Wood working, not specified.....	6	6	2	14	91	8	2	.....
Metals, machinery, and implements.....	2,249	491	729	3,469	5,648	1,179	2,318	39
Iron and steel.....	1,144	256	251	1,651	1,850	288	499	13
Machinery and implements.....	1,022	197	447	1,666	3,577	846	1,704	24
Metal working, not specified.....	83	38	31	152	221	45	115	2
Stone, clay, china, and glass.....	173	41	26	240	217	76	47	1
Glass manufactures.....	161	30	19	210	45	29	22	1
China ware.....	1	.....	.....	1	3	3	.....	.....
Earthenware.....	.....	2	1	3	27	10	4	.....
Mineral products, not specified.....	11	9	6	26	142	34	21	.....
Animal products (hides, leather, etc.).....	25	23	12	60	67	34	19	.....
Food products.....	188	151	32	371	765	203	103	1
Flour milling.....	7	9	5	21	156	22	20	1
Sugar and sugar refining.....	135	104	21	260	479	118	52	.....
Food products, not specified.....	46	38	6	90	130	63	31	.....
Chemical industry.....	105	97	83	285	195	61	60	1
Chemicals.....	52	36	61	149	67	24	27	1
Mineral oils.....	12	14	6	32	30	5	12	.....
Explosives.....	9	8	9	26	4	4	4	.....
Chemical industry, not specified.....	32	39	7	78	94	28	17	.....
All other industries.....	3	12	3	18	19	17	5	.....
Total.....	3,117	1,000	977	5,094	9,364	2,254	2,812	46
1906.								
Cotton manufactures.....	301	169	109	579	2,516	591	185	.....
Wool manufactures.....	35	33	11	84	304	106	27	.....
Silk manufactures.....	8	7	1	16	22	2	1	.....
Flax, hemp, and jute manufactures.....	29	15	12	56	319	153	61	.....
Textile industries, not specified.....	9	8	1	18	38	10	13	.....
Paper and printing.....	34	22	11	67	85	67	38	1
Paper, parchment, and wall paper.....	15	10	5	30	43	27	21	.....
Printing and engraving.....	3	3	.....	6	17	12	6	1
Paper and printing, not specified.....	16	9	26	11	31	25	6	.....

ESTABLISHMENTS, BY INDUSTRIES, 1901 TO 1906—Continued.

Wounds, fractures, etc.													Asphyxiation by gases.	Drowning.	All other injuries.	Grand total.
Shoulder, arm, or wrist.			Fingers.			Lower extremities.			Trunk.	Internal injuries without external wounds (chest, abdomen, skull).	Total.					
R'ht	Left.	Both.	Right hand.	Left hand.	Both hands	R'ht	Left.	Both.								
188	126	5	274	240	11	130	142	3	41	24	1,315	.....	1	5	1,788	
140	95	2	174	126	7	63	70	1	11	9	749	.....	.....	.....	1,002	
2	6	.....	11	12	.....	3	6	.....	4	2	51	.....	.....	.....	65	
9	12	1	15	15	1	23	20	1	8	2	122	.....	1	2	162	
37	23	2	74	87	3	41	46	1	18	11	393	.....	.....	3	559	
19	26	.....	72	79	.....	23	23	2	12	15	306	.....	.....	75	480	
242	242	7	640	574	10	390	422	14	67	55	2,971	6	3	22	4,162	
35	37	1	130	95	1	29	22	1	12	11	423	2	1	13	582	
86	87	5	240	267	4	302	341	11	31	18	1,573	3	1	4	2,200	
121	118	1	270	212	5	59	59	2	24	26	975	1	1	5	1,320	
76	63	1	201	241	4	100	85	3	29	40	967	1	.....	12	1,469	
17	16	1	50	50	1	35	26	2	9	19	272	.....	.....	8	469	
13	6	.....	25	36	.....	8	6	.....	3	5	134	.....	.....	.....	218	
.....	5	.....	9	9	.....	3	6	1	.....	3	45	.....	.....	.....	74	
46	36	.....	117	146	3	54	47	.....	17	13	516	1	.....	4	708	
2	3	.....	8	8	.....	3	4	1	2	2	44	.....	.....	.....	77	
2,482	2,306	56	7,751	8,275	128	2,853	2,862	86	583	582	32,430	8	7	271	47,205	
423	381	10	1,365	1,256	26	520	557	13	78	75	5,152	2	.....	77	7,110	
148	112	4	341	291	6	55	73	1	18	31	1,153	.....	.....	3	1,316	
1	8	.....	21	14	.....	1	5	.....	.....	3	59	.....	.....	.....	83	
107	115	5	287	249	5	94	101	3	28	17	1,152	.....	.....	1	1,408	
18	15	.....	41	41	1	11	4	1	3	5	149	.....	.....	.....	178	
101	95	2	273	276	3	97	99	8	32	25	1,098	.....	.....	2	1,309	
60	53	2	101	119	.....	48	45	4	23	15	514	.....	.....	2	636	
15	12	.....	77	57	1	4	11	1	1	4	187	.....	.....	.....	219	
26	30	.....	95	100	2	45	43	3	8	6	397	.....	.....	.....	454	
148	117	4	441	682	4	160	161	14	74	23	2,012	.....	1	6	2,567	
114	90	4	281	276	3	136	139	12	64	16	1,309	.....	1	3	1,756	
34	27	.....	160	406	1	24	22	2	10	7	703	.....	.....	3	811	
1,569	1,493	38	4,591	4,911	92	1,809	1,934	58	480	471	20,982	.....	1	56	30,156	
486	454	9	1,518	1,505	30	584	621	10	134	142	6,293	.....	.....	20	9,814	
984	966	29	2,802	3,109	55	1,149	1,226	44	328	308	13,574	.....	1	33	18,851	
99	73	.....	271	297	7	76	87	4	18	21	1,115	.....	.....	3	1,491	
163	132	1	286	260	2	138	163	3	45	17	1,334	.....	.....	2	1,793	
123	91	1	144	143	2	63	78	2	19	5	723	.....	.....	.....	978	
5	7	.....	14	11	.....	4	8	.....	3	.....	55	.....	.....	.....	59	
10	10	.....	23	24	.....	17	22	.....	5	2	127	.....	.....	2	159	
25	24	.....	105	82	.....	54	55	1	18	10	429	.....	.....	.....	597	
36	28	.....	90	111	2	25	41	.....	17	14	417	.....	1	2	547	
296	285	13	703	658	12	458	451	15	91	52	3,341	12	.....	18	4,507	
44	35	2	113	97	.....	23	19	3	8	9	396	4	.....	8	585	
90	94	7	260	271	.....	336	351	10	52	22	1,663	7	.....	4	2,413	
162	156	4	330	290	12	99	81	2	31	21	1,282	1	.....	6	1,509	
67	67	3	236	256	3	103	111	8	30	45	1,051	5	.....	7	1,543	
25	17	1	53	63	3	28	28	1	11	24	306	.....	.....	4	526	
5	7	.....	20	28	.....	6	10	.....	1	4	98	.....	.....	.....	160	
8	4	.....	17	12	.....	5	11	.....	3	.....	68	.....	.....	.....	98	
29	39	2	146	153	.....	64	62	7	15	17	579	5	.....	3	759	
9	.....	1	19	20	.....	13	9	1	5	1	100	.....	.....	1	138	
3,086	2,848	81	8,694	9,925	156	3,484	3,709	125	901	779	38,000	19	3	175	52,655	
597	461	10	1,906	1,859	25	780	792	17	130	77	7,430	.....	.....	81	10,606	
146	124	3	442	364	3	101	85	6	29	47	1,483	.....	2	5	1,878	
4	7	.....	26	22	.....	4	1	.....	.....	.....	67	.....	.....	.....	105	
142	111	.....	372	353	5	125	124	4	55	29	1,534	.....	1	6	1,916	
13	16	.....	50	43	1	9	16	.....	4	9	184	.....	.....	.....	240	
106	90	1	267	253	2	101	82	5	36	16	1,064	.....	1	2	1,219	
64	49	.....	115	90	.....	45	40	4	22	7	484	.....	1	2	560	
22	14	.....	74	63	1	9	5	.....	.....	3	211	.....	.....	.....	234	
20	27	1	78	100	1	47	37	1	14	6	369	.....	.....	.....	425	

## NUMBER OF INJURIES IN EACH SPECIFIED CLASS, IN MANUFACTURING

Industry.	Burns and scalds.				Trauma- tism without lacera- tions.	Wounds, fractures, etc.		
	One part of body, ex- cept eyes.	Sev- eral parts of body, ex- cept eyes.	Eyes.	Total.		Head, face (except eyes), and neck.	One eye.	Both eyes.
1906—Concluded.								
Wood manufactures.....	15	18	4	37	476	130	59	.....
Lumber sawing.....	9	13	1	23	443	113	47	.....
Wood working, not specified.....	6	5	3	14	33	17	12	.....
Metals, machinery, and implements.....	2,021	508	891	3,420	5,823	1,332	2,712	56
Iron and steel.....	1,045	289	292	1,626	2,065	354	527	17
Machinery and implements.....	875	179	555	1,609	3,503	922	2,038	37
Metal working, not specified.....	101	40	44	185	255	56	147	2
Stone, clay, china, and glass.....	156	38	24	218	248	68	62	2
Glass manufactures.....	125	14	16	155	58	24	17	.....
China ware.....	1	4	.....	5	7	7	3	.....
Earthenware.....	.....	4	.....	4	23	5	3	.....
Mineral products, not specified.....	30	16	8	54	160	32	39	2
Animal products (hides, leather, etc.).....	38	19	23	80	109	27	13	1
Food products.....	214	160	54	428	942	260	140	12
Flour milling.....	12	17	5	34	184	34	20	9
Sugar and sugar refining.....	159	100	23	282	607	149	82	1
Food products, not specified.....	43	43	26	112	151	77	38	2
Chemical industry.....	104	84	89	277	185	67	71	1
Chemicals.....	55	36	62	153	52	29	28	.....
Mineral oils.....	11	8	7	26	49	9	13	.....
Explosives.....	5	9	2	16	2	.....	2	.....
Chemical industry, not specified.....	33	31	18	82	82	29	28	1
All other industries.....	17	7	7	31	47	10	15	2
Total.....	2,981	1,093	1,237	5,311	11,114	2,822	3,397	75

## ESTABLISHMENTS, BY INDUSTRIES, 1901 TO 1906—Concluded.

Wounds, fractures, etc.												Asphyxiation by gases.	Drown- ing.	All oth- er in- jur- les.	Grand total.
Shoulder, arm, or wrist.			Fingers.			Lower extremi- ties.			Trunk.	Internal injuries without external wounds (chest, abdomen, skull).	Total.				
R 'ht.	Left.	Both.	Right hand.	Left hand.	Both hands	R 'ht.	Left.	Both.							
147	155	3	513	841	6	180	208	10	100	27	2,379	.....	1	3	2,806
116	118	2	329	304	3	166	182	9	86	25	1,500	.....	1	3	1,970
31	37	1	184	537	3	14	26	1	14	2	879	.....	.....	.....	928
1,585	1,527	22	4,577	4,912	65	1,948	1,846	67	577	504	21,820	2	.....	35	31,100
575	517	16	1,520	1,503	20	639	630	20	143	194	6,675	2	.....	4	10,372
921	888	4	2,736	3,055	43	1,204	1,136	44	410	364	13,802	.....	.....	28	18,942
89	122	2	321	354	2	105	80	3	24	36	1,343	.....	.....	3	1,786
183	171	5	363	338	7	169	185	7	68	31	1,659	3	2	8	2,138
125	115	5	194	136	7	75	68	2	24	7	799	.....	1	.....	1,013
6	12	.....	15	10	.....	9	14	.....	6	1	83	1	.....	.....	96
15	8	.....	25	28	.....	19	26	2	8	9	148	1	1	4	181
37	36	.....	129	164	.....	66	77	3	30	14	629	1	.....	4	848
48	40	.....	123	148	3	33	38	1	18	18	511	1	.....	3	704
353	279	9	795	779	12	563	575	29	170	64	4,040	7	3	8	5,428
57	43	1	129	113	1	29	30	4	19	13	502	5	3	2	730
110	104	4	335	365	5	427	444	18	95	36	2,175	1	.....	1	3,066
186	132	4	331	301	6	107	101	7	56	15	1,363	1	.....	5	1,632
87	64	1	264	256	2	147	147	6	46	45	1,204	1	.....	3	1,670
25	21	1	68	71	.....	47	35	2	22	19	368	1	.....	2	576
10	3	.....	21	21	.....	4	11	1	7	6	106	.....	.....	.....	181
4	9	.....	11	23	1	2	15	.....	2	2	71	.....	.....	.....	89
48	31	.....	164	141	1	94	86	3	15	18	659	.....	.....	1	824
10	12	1	31	34	.....	10	8	.....	4	24	161	.....	.....	3	242
3,421	3,067	55	9,729	10,202	131	4,170	4,107	152	1,237	981	43,536	14	10	157	60,142



## PER CENT OF TOTAL INJURIES IN EACH SPECIFIED CLASS, IN

[Source: Ministerstvo Torgovli i Promyshlennosti. Otdel promysh]

Industry.	Burns and scalds.				Trau- matism without lacerations.	Wounds, fractures, etc.		
	One part of body, ex- cept eyes.	Sev- eral parts of body, ex- cept eyes.	Eyes.	Total.		Head, face (except eyes), and neck.	One eye.	Both eyes.
1901.								
Cotton manufactures.....	3.14	2.04	0.81	5.99	13.42	6.71	2.38	.....
Wool manufactures.....	2.10	2.31	.52	4.93	11.23	5.56	1.26	.....
Silk manufactures.....	3.33	3.33	.....	6.66	3.34	3.33	.....	3.33
Flax, hemp, and jute manufactures.....	2.14	1.00	.28	3.42	15.38	7.12	2.71	.....
Textiles, not specified.....	7.02	.....	.....	7.02	14.04	3.51	1.75	.....
Paper and printing.....	4.56	1.40	.35	6.31	8.06	5.49	1.87	.....
Wood manufactures.....	.49	.76	.14	1.39	13.93	6.93	1.32	.06
Metals, machinery, and implements.....	5.79	1.92	2.41	10.12	17.95	5.02	7.74	.09
Mineral products.....	3.68	3.37	1.53	8.58	10.57	9.34	3.07	.....
Animal products (hides, leather, etc.).....	4.20	7.63	1.53	13.36	6.49	9.16	.76	.....
Food products.....	3.90	4.67	.47	9.04	4.52	6.85	1.68	.14
Chemical industry.....	5.42	5.54	4.10	15.06	14.82	3.86	2.41	.12
All other industries.....	2.22	13.33	2.22	17.77	8.89	4.44	2.22	.....
Total.....	4.41	2.39	1.59	8.39	14.27	5.85	4.72	.07
1902.								
Cotton manufactures.....	3.20	1.65	.69	5.54	21.42	6.68	1.99	.....
Wool manufactures.....	2.10	2.00	.20	4.30	13.62	3.40	1.70	.....
Silk manufactures.....	4.08	2.04	.....	6.12	10.21	2.04	.....	.....
Flax, hemp, and jute manufactures.....	1.57	.88	.35	2.80	20.80	6.99	2.45	.17
Textiles, not specified.....	3.88	3.10	.77	7.75	16.28	5.42	2.33	.....
Paper and printing.....	2.76	1.88	.33	4.97	15.91	6.63	1.88	.....
Wood manufactures.....	.74	1.15	.13	2.02	21.54	6.28	1.35	.....
Metals, machinery, and implements.....	6.24	1.69	2.20	10.13	22.79	4.45	7.55	.06
Mineral products.....	4.95	2.74	.36	8.05	19.86	7.19	2.74	.17
Animal products (hides, leather, etc.).....	3.72	5.37	3.31	12.40	13.22	4.96	2.07	.41
Food products.....	5.54	5.44	.47	11.45	6.99	5.81	1.65	.07
Chemical industry.....	6.83	4.93	3.99	15.75	24.95	3.61	3.80	.....
All other industries.....	4.49	10.12	4.49	19.10	10.11	8.99	5.64	.....
Total.....	4.78	2.31	1.42	8.51	19.82	5.31	4.47	.05
1903.								
Cotton manufactures.....	3.48	1.93	1.40	6.81	23.21	6.85	2.10	.09
Wool manufactures.....	2.05	2.42	.84	5.31	16.96	4.94	1.21	.....
Silk manufactures.....	3.75	8.75	1.25	13.75	5.00	7.50	2.50	.....
Flax, hemp, and jute manufactures.....	2.03	1.10	.37	3.50	19.89	4.79	1.66	.....
Textiles, not specified.....	1.87	4.67	.....	6.54	16.82	3.74	2.80	.....
Paper and printing.....	2.42	2.53	.44	5.39	17.27	4.62	2.42	.....
Wood manufactures.....	.74	1.09	.10	1.93	22.25	3.91	2.33	.05
Metals, machinery, and implements.....	6.69	1.62	2.52	10.83	26.57	4.57	6.24	.15
Mineral products.....	4.44	2.22	.74	7.40	18.20	8.58	2.96	.....
Animal products (hides, leather, etc.).....	4.91	5.28	.75	10.94	20.38	4.53	.38	.....
Food products.....	5.44	5.44	.74	11.62	17.69	5.65	1.80	.....
Chemical industry.....	6.23	5.50	3.40	15.13	25.97	4.05	2.59	.16
All other industries.....	8.83	7.35	.....	16.18	17.65	7.35	1.47	.....
Total.....	5.04	2.34	1.75	9.13	23.56	5.21	3.99	.10
1904.								
Cotton manufactures.....	2.97	1.75	.83	5.55	22.99	5.72	2.00	.08
Wool manufactures.....	1.63	2.52	1.06	5.21	15.95	3.58	1.22	.....
Silk manufactures.....	4.00	5.33	2.67	12.00	10.67	8.00	4.00	.....
Flax, hemp, and jute manufactures.....	1.47	.37	.27	2.11	24.70	4.75	3.29	.....
Textile industries, not specified.....	6.96	3.16	.63	10.75	17.09	6.33	3.16	.....
Paper and printing.....	2.82	3.95	.81	7.58	11.44	3.14	2.42	.08
Paper, parchment, and wall paper.....	3.14	4.13	.83	8.10	10.58	2.81	2.48	.17
Printing and engraving.....	2.08	2.50	.42	5.00	7.92	3.33	.42	.....
Paper and printing, not specified.....	2.78	4.54	1.01	8.33	14.90	3.54	3.54	.....
Wood manufactures.....	.70	.77	.23	1.70	19.86	4.68	1.54	.....
Lumber sawing.....	.61	.72	.28	1.61	24.41	5.83	1.83	.....
Woodworking, not specified.....	.90	.90	.12	1.92	9.34	2.06	.90	.....

MANUFACTURING ESTABLISHMENTS, BY INDUSTRIES, 1901 TO 1906.

lenosti. Statistika neschastnykh sluchaev s rabochimi, 1901-1906.]

Wounds, fractures, etc.												Asphyxiation by gases.	Drowning.	All other injuries.
Shoulder, arm, or wrist.			Fingers.			Lower extremity.			Trunk.	Internal injuries without external wounds (chest, abdomen, skull).	Total.			
Right.	Left.	Both.	Right hand.	Left hand.	Both hands.	Right.	Left.	Both.						
7.72	5.34	0.40	23.19	19.00	0.29	6.66	6.39	0.04	1.82	0.45	80.39	0.02		0.18
8.71	8.92	.11	26.02	22.25	.21	3.67	4.30	.32	1.47	.52	83.32	.42		.10
6.67	13.33	40.00	16.67							3.33	86.66		3.34	
9.12	7.27		19.80	22.22	.14	5.70	5.27		1.28	.57	81.20			
5.26	1.75		35.09	26.32		1.75	3.51				78.94			
7.83	6.42	.35	23.72	22.55	.35	7.13	6.19	.35	1.98	.93	85.16		.12	.35
7.00	6.93	.21	19.75	21.69	1.11	7.76	7.14	.21	2.56	1.87	84.54		.14	
4.95	5.52	.24	15.24	16.74	.21	7.15	6.50	.15	1.50	.73	71.78	.02		.13
9.04	8.12	.15	14.70	11.48	.31	8.58	8.11	1.22	4.29	1.22	79.63		.15	1.07
7.25	8.02	5.34	12.98	16.03		4.58	6.11	.38	2.67	1.53	74.81		.38	4.96
7.94	7.36	.22	13.49	11.88	.22	15.71	12.94	.91	4.15	2.15	85.64	.26	.07	.47
5.42	4.82	.36	14.94	13.98	.24	7.59	3.86	.72	1.32	2.65	62.29	.36	.12	7.35
6.67	8.89		20.00	17.78		6.67	4.45			2.22	73.34			
6.42	6.06	.36	17.59	17.23	.28	7.87	7.03	.27	2.00	.99	76.74	.07	.04	.49
5.78	5.74	.15	20.32	18.38	.34	6.25	5.27	.07	1.19	.36	72.52	.04		.48
9.81	6.41	.30	26.13	24.12	.10	3.30	4.11	.30	1.20	1.20	82.08			
4.08	4.08		38.78	24.49	2.04	4.08			2.04		81.63	2.04		
7.52	6.64		20.11	18.88	.35	3.85	4.72		2.80	.17	74.65			1.75
5.42	3.88	.77	20.93	26.36		3.10	3.88		3.10		75.19			.78
8.07	6.96		22.32	20.89	.33	4.64	4.53	.33	1.66	.88	79.12			
5.81	4.32		18.70	25.26	.20	6.01	4.32	.27	2.23	1.55	76.30		.07	.07
4.27	4.47	.05	15.55	16.00	.23	6.08	6.00	.18	1.40	.68	66.97	.02	.03	.06
5.65	7.71	.51	15.07	11.13	.51	7.54	6.68	.17	3.94	1.20	70.21	1.03	.51	.34
11.16	7.03	.41	14.05	16.12		6.20	2.48		2.88	2.07	69.84	.41	.41	3.72
6.45	6.11	.24	14.32	12.36	.20	13.88	14.49	.34	4.59	.67	81.18	.17	.14	.07
3.89	4.65	.09	12.05	12.52	.38	5.03	4.46	.47	1.99	1.52	54.46	.38		4.46
2.25	6.74		11.23	12.36		6.74	11.23		4.49		69.67			1.12
5.42	5.23	.12	17.21	16.96	.26	6.77	6.49	.19	1.92	.73	71.13	.08	.05	.41
5.40	4.72	.14	19.01	17.64	.25	6.08	6.01	.11	.77	.25	69.42			.56
8.11	8.39	.09	24.33	21.90	.09	3.36	3.54		1.21	.56	77.73			
6.25	5.09		20.00	32.50		2.50	2.50		1.25	1.25	81.25			
7.37	4.79	.37	21.55	19.15	.18	7.18	4.79	.18	2.21	.55	74.77			1.84
2.80	11.22	.94	25.23	25.23		.94	2.80			.94	76.64			
6.27	6.05	.11	22.00	20.47	.22	6.27	6.16	.11	2.20	.44	77.34			
5.35	4.91	.15	18.14	25.92	.25	5.84	5.15	.40	2.33	.99	75.72		.05	.05
4.01	3.81	.05	15.04	16.06	.25	5.10	5.33	.14	1.10	.56	62.41	.02	.01	.16
7.54	7.10		16.72	13.02	.29	7.99	5.92	.29	2.81	.74	73.96			.44
4.53	5.66		16.98	16.98		3.02	4.16	.75	2.64	1.50	61.13		.38	7.17
6.21	5.24	.09	14.94	12.39	.15	9.55	10.53	.24	2.34	1.03	70.16	.35		.18
2.99	3.89	.24	14.08	12.62	.16	4.61	4.85	.16	1.30	1.46	53.16			5.74
7.35	5.88	1.47	7.35	16.18		2.95	5.88		5.88		61.76			4.41
4.93	4.59	.10	16.73	16.89	.23	5.84	5.94	.16	1.37	.62	66.70	.05	.01	.55
5.49	4.69	.15	19.04	18.33	.21	7.02	6.38	.12	.68	.84	70.73			.73
8.62	7.16	.16	25.55	20.83	.33	3.66	3.98	.33	1.63	1.71	78.76			.08
5.33	8.00		21.33	24.00		4.00	2.67				77.33			
5.12	5.40	.46	20.95	18.21		5.40	5.77	.09	1.37	1.74	72.55			.64
6.33	6.33		17.09	21.52		3.16	5.07			1.90	70.89			1.27
8.21	7.17		24.42	21.92	.32	4.67	5.08	.16	1.78	1.29	80.66			.37
8.10	8.59		24.46	20.66	.17	5.12	4.79	.17	2.15	1.15	80.82			.50
14.58	5.00		30.00	25.42	.83	3.33	.83		1.67	1.25	86.66			.42
4.54	6.31		20.96	21.72	.25	4.80	8.08	.25	1.26	1.52	76.77			
5.50	4.61	.15	17.22	29.18	.15	6.12	5.38	.31	2.40	1.01	78.25		.04	.15
5.99	4.66	.11	16.70	18.82	.06	7.55	7.16	.44	3.22	1.33	73.70		.06	.22
4.35	4.48	.25	18.42	53.07	.38	2.82	1.26		.51	.25	88.74			

## PER CENT OF TOTAL INJURIES IN EACH SPECIFIED CLASS, IN MANU

Industry.	Burns and scalds.				Trau- matism without lacera- tions.	Wounds, fractures, etc.		
	One part of body, ex- cept eyes.	Sev- eral parts of body, ex- cept eyes.	Eyes.	Total.		Head, face (except eyes), and neck.	One eye.	Both eyes.
1904—Concluded.								
Metals, machinery, and implements.....	7.87	1.57	2.15	11.59	22.51	3.83	7.35	0.10
Iron and steel.....	11.35	2.34	2.30	15.99	23.37	3.24	4.25	.03
Machinery and implements.....	5.81	1.01	2.07	8.89	22.31	4.25	9.12	.12
Metal working, not specified.....	6.92	2.40	1.99	11.31	19.19	3.91	8.91	.27
Stone, clay, china, and glass.....	10.51	2.29	1.23	14.03	12.08	4.47	2.18	.11
Glass manufactures.....	16.37	2.09	1.50	19.96	5.29	4.19	.90	.....
China ware.....	4.62	6.15	.....	10.77	10.77	6.15	1.54	.....
Earthenware.....	1.23	4.94	.....	6.17	16.67	7.41	1.85	.....
Mineral products, not specified.....	3.40	1.43	1.35	6.08	23.08	3.94	4.65	.36
Animal products (hides, leather, etc.).....	4.79	1.88	2.29	8.96	11.67	5.63	1.67	.....
Food products.....	4.90	3.08	.55	8.53	19.34	5.67	1.71	.02
Flour milling.....	1.37	2.41	.52	4.30	20.28	5.33	2.92	.17
Sugar and sugar refining.....	6.24	2.92	.49	9.65	20.40	6.37	1.64	.....
Food products, not specified.....	4.17	3.63	.68	8.48	17.12	4.62	1.29	.....
Chemical industry.....	7.62	4.36	4.22	16.20	17.09	3.74	4.56	.14
Chemicals.....	12.15	6.18	8.96	27.29	13.01	4.90	4.48	.43
Mineral oils.....	8.71	7.34	3.67	19.72	18.81	3.21	11.47	.....
Explosives.....	14.86	6.76	4.05	25.67	13.52	1.35	10.82	.....
Chemical industry, not specified.....	3.53	1.98	1.27	6.78	19.63	3.39	1.84	.....
All other industries.....	10.39	7.79	5.19	23.37	19.48	9.09	5.19	.....
Total.....	6.14	1.88	1.64	9.68	21.03	4.37	5.04	.08
1905.								
Cotton manufactures.....	3.54	1.34	.75	5.63	20.80	4.85	1.42	.03
Wool manufactures.....	1.82	1.60	1.14	4.56	7.60	3.41	2.13	.....
Silk manufactures.....	2.41	3.61	2.41	8.43	20.48	7.23	.....	.....
Flax, hemp, and jute manufactures.....	1.42	.85	.36	2.63	15.48	6.46	3.55	.....
Textiles, not specified.....	5.06	2.81	.56	8.43	7.86	2.81	2.25	.....
Paper and printing.....	3.74	2.45	.92	7.11	8.83	4.43	2.14	.08
Paper, parchment, and wall paper.....	4.40	2.83	1.58	8.81	10.06	5.03	1.73	.16
Printing and engraving.....	2.28	.91	.....	3.19	11.42	1.37	.46	.....
Paper and printing, not specified.....	3.53	2.64	.44	6.61	5.95	5.07	3.52	.....
Wood manufactures.....	.70	.66	.16	1.52	19.83	5.22	1.91	.04
Lumber sawing.....	.68	.63	.11	1.42	23.80	7.18	2.68	.06
Woodworking, not specified.....	.74	.74	.25	1.73	11.22	.99	.25	.....
Metals, machinery, and implements.....	7.45	1.63	2.42	11.50	18.72	3.92	7.69	.13
Iron and steel.....	11.66	2.60	2.56	16.82	18.85	2.93	5.08	.13
Machinery and implements.....	5.42	1.04	2.37	8.83	18.98	4.49	9.04	.13
Metal working, not specified.....	5.57	2.55	2.08	10.20	14.82	3.02	7.71	.13
Stone, clay, china, and glass.....	9.65	2.29	1.45	13.39	12.10	4.24	2.62	.06
Glass manufactures.....	16.46	3.07	1.94	21.47	4.60	2.97	2.25	.10
China ware.....	1.69	.....	.....	1.69	5.09	5.09	.....	.....
Earthenware.....	.....	1.26	.63	1.89	16.98	6.29	2.52	.....
Mineral products, not specified.....	1.84	1.51	1.00	4.35	23.79	5.70	3.52	.....
Animal products (hides, leather, etc.).....	4.57	4.21	2.19	10.97	12.25	6.22	3.47	.....
Food products.....	4.17	3.35	.71	8.23	16.97	4.50	2.29	.02
Flour milling.....	1.20	1.54	.85	3.59	26.67	3.76	3.42	.17
Sugar and sugar refining.....	5.59	4.31	.87	10.77	19.85	4.89	2.15	.....
Food products, not specified.....	3.04	2.52	.40	5.96	8.61	4.17	2.05	.....
Chemical industry.....	6.80	6.29	5.38	18.47	12.64	3.95	3.89	.06
Chemicals.....	9.89	6.84	11.60	28.33	12.74	4.56	5.13	.19
Mineral oils.....	7.50	8.75	3.75	20.00	18.75	3.13	7.50	.....
Explosives.....	9.18	8.17	9.18	26.53	4.08	4.08	4.08	.....
Chemical industry, not specified.....	4.22	5.14	.92	10.28	12.38	3.69	2.24	.....
All other industries.....	2.17	8.70	2.17	13.04	13.77	12.31	3.62	.....
Total.....	5.92	1.90	1.85	9.67	17.78	4.28	5.34	.09
1906.								
Cotton manufactures.....	2.84	1.59	1.03	5.46	23.72	5.57	1.74	.....
Wool manufactures.....	1.86	2.02	.59	4.47	16.19	5.65	1.44	.....
Silk manufactures.....	7.62	6.67	.95	15.24	20.95	1.91	.95	.....
Flax, hemp, and jute manufactures.....	1.51	.78	.63	2.92	16.65	7.98	3.18	.....
Textiles, not specified.....	3.75	3.33	.42	7.50	15.83	4.17	5.42	.....

FACTURING ESTABLISHMENTS, BY INDUSTRIES, 1901 TO 1906—Continued.

Wounds, fractures, etc.												Asphyxiation by gases.	Drown- ing.	All other in- juries.
Shoulder, arm, or wrist.			Fingers.			Lower extremity.			Trunk.	Internal injuries without external wounds (chest, abdomen, skull).	Total.			
Right.	Left.	Both.	Right hand.	Left hand.	Both hands	Right.	Left.	Both.						
4.47	4.40	0.09	15.11	16.72	0.29	5.39	5.45	0.15	1.08	1.16	65.54	0.01	0.01	0.34
4.50	3.87	.09	15.89	15.81	.32	5.03	5.17	.14	.76	1.16	60.26	.01	.....	.37
4.39	4.61	.08	14.49	17.16	.27	5.78	5.69	.16	1.22	1.17	68.51	.....	.01	.28
4.93	5.48	.14	16.52	18.03	.34	3.63	4.66	.07	.62	1.10	68.61	.....	.....	.89
10.52	7.61	.28	15.32	13.42	.62	7.27	7.94	.17	2.29	1.35	73.55	.....	.06	.28
13.97	9.48	.20	17.37	12.57	.69	6.29	6.99	.10	1.10	.90	74.75	.....	.....	.....
3.08	9.23	.....	16.92	18.46	.....	4.62	9.23	.....	6.15	3.08	78.46	.....	.....	.....
5.55	7.41	.62	9.26	9.26	.62	14.20	12.34	.62	4.94	1.23	75.31	.....	.62	1.23
6.62	4.11	.36	13.24	15.56	.54	7.33	8.22	.18	3.22	1.97	70.30	.....	.....	.54
3.96	5.42	.....	15.00	16.46	.....	4.79	4.79	.42	3.50	3.11	63.75	.....	.....	15.62
5.81	5.81	.17	15.38	13.79	.24	9.37	10.14	.34	1.61	1.32	71.38	.14	.08	.53
6.01	6.35	.17	22.33	16.32	.17	4.98	3.78	.17	2.08	1.89	72.65	.37	.17	2.23
3.80	3.85	.22	10.62	11.81	.18	13.36	15.09	.49	1.37	.80	69.60	.13	.04	.18
9.17	8.94	.08	20.45	16.06	.38	4.47	4.47	.15	1.82	1.96	73.86	.08	.08	.38
5.17	4.29	.07	13.68	16.41	.27	6.81	5.79	.20	1.97	2.72	65.82	.07	.....	.82
3.63	3.41	.21	10.66	10.66	.21	7.46	5.54	.43	1.92	4.05	57.99	.....	.....	1.71
5.96	2.75	.....	11.47	16.52	.....	3.67	2.75	.....	1.38	2.29	61.47	.....	.....	.....
.....	6.76	.....	12.16	12.16	.....	4.05	8.11	1.35	.....	4.05	60.81	.....	.....	.....
6.50	5.08	.....	16.52	20.62	.42	7.63	6.64	.....	2.40	1.84	72.88	.14	.....	.57
2.60	3.90	.....	10.39	10.39	.....	3.90	5.19	1.30	2.60	2.60	57.15	.....	.....	.....
5.26	4.88	.12	16.42	17.53	.27	6.04	6.04	.18	1.24	1.23	68.70	.02	.01	.58
5.95	5.35	.14	19.20	17.67	.37	7.31	7.83	.18	1.10	1.05	72.46	.03	.....	1.08
11.25	8.51	.30	25.91	22.11	.46	4.18	5.55	.08	1.37	2.35	87.61	.....	.....	.23
1.21	9.64	.....	25.30	16.87	.....	1.21	6.02	.....	.....	3.61	71.09	.....	.....	.....
7.60	8.17	.36	20.38	17.68	.36	6.68	7.17	.21	1.99	1.21	81.82	.....	.....	.07
10.11	8.43	.....	23.03	23.03	.56	6.18	2.25	.56	1.69	2.81	83.71	.....	.....	.....
7.72	7.26	.15	20.86	21.08	.23	7.41	7.56	.61	2.44	1.91	83.88	.....	.....	.15
9.43	8.33	.31	15.88	18.71	.....	7.55	7.08	.63	3.62	2.36	80.82	.....	.....	.31
6.84	5.47	.....	35.16	26.03	.46	1.83	5.02	.46	.46	1.83	85.39	.....	.....	.....
5.73	6.61	.....	20.92	22.03	.44	9.91	9.47	.66	1.76	1.32	87.44	.....	.....	.....
5.77	4.56	.16	17.18	26.57	.16	6.23	6.27	.54	2.88	.89	78.38	.....	.04	.23
6.49	5.12	.23	16.00	15.72	.17	7.74	7.92	.68	3.65	.91	74.55	.....	.06	.17
4.19	3.33	.....	19.73	50.06	.12	2.96	2.71	.25	1.23	.86	86.68	.....	.....	.37
5.20	4.95	.13	15.22	16.28	.31	6.00	6.41	.19	1.59	1.56	69.58	.....	.01	.19
4.95	4.63	.09	15.47	15.34	.31	5.95	6.33	.10	1.36	1.45	64.12	.....	.....	.21
5.22	5.13	.15	14.86	16.49	.29	6.10	6.50	.23	1.74	1.63	72.00	.....	.01	.18
6.64	4.90	.....	18.18	19.92	.47	5.10	5.84	.26	1.20	1.41	74.78	.....	.....	.20
9.09	7.36	.06	15.95	14.50	.11	7.70	9.09	.17	2.50	.95	74.40	.....	.....	.11
12.58	9.30	.10	14.72	14.62	.21	6.44	7.98	.21	1.94	.51	73.93	.....	.....	.....
8.47	11.86	.....	23.73	18.64	.....	6.78	13.56	.....	5.09	.....	93.22	.....	.....	.....
6.29	6.29	.....	14.46	15.09	.....	10.69	13.84	.....	3.14	1.26	79.87	.....	.....	1.26
4.19	4.02	.....	17.59	13.74	.....	9.04	9.21	.17	3.01	1.67	71.86	.....	.....	.....
6.58	5.12	.....	16.45	20.29	.37	4.57	7.49	.....	3.11	2.56	76.23	.....	.18	.37
6.57	6.32	.29	15.60	14.60	.27	10.16	10.01	.33	2.02	1.15	74.13	.27	.....	.40
7.52	5.98	.34	19.32	16.58	.....	3.93	3.25	.51	1.37	1.54	67.69	.68	.....	1.37
3.73	3.90	.29	10.77	11.23	.....	13.92	14.55	.41	2.15	.91	68.92	.29	.....	.17
10.74	10.34	.27	21.87	19.22	.80	6.56	5.37	.13	2.05	1.39	84.96	.07	.....	.40
4.34	4.34	.20	15.29	16.59	.20	6.68	7.19	.52	1.94	2.92	68.11	.33	.....	.45
4.76	3.23	.19	10.08	11.98	.57	5.32	5.32	.19	2.09	4.56	58.17	.....	.....	.76
3.13	4.37	.....	12.50	17.50	.....	3.75	6.25	.....	.62	2.50	61.25	.....	.....	.....
8.17	4.06	.....	17.35	12.24	.....	5.10	11.23	.....	3.06	.....	69.39	.....	.....	.....
3.82	5.14	.26	19.23	20.16	.....	8.42	8.17	.92	1.98	2.24	76.28	.66	.....	.40
6.52	.....	.73	13.77	14.49	.....	9.42	6.52	.73	3.62	.73	72.46	.....	.....	.73
5.86	5.41	.15	16.51	17.14	.30	6.6	7.04	.24	1.71	1.48	72.17	.04	.01	.33
5.63	4.34	.09	17.98	17.53	.23	7.35	7.47	.16	1.23	.73	70.05	.....	.....	.77
7.77	6.60	.16	23.54	19.38	.16	5.38	4.53	.32	1.54	2.50	78.97	.....	.10	.27
3.81	9.67	.....	24.76	20.96	.....	3.81	.95	.....	.....	.....	63.81	.....	.....	.....
7.42	5.79	.....	19.42	18.42	.26	6.52	6.47	.21	2.87	1.52	80.06	.....	.06	.32
5.42	6.67	.....	20.83	17.92	.41	3.75	6.67	.....	1.66	3.75	76.67	.....	.....	.....

## NUMBER OF INJURIES OF EACH SPECIFIED CLASS, IN MANUFACTURING

Industry.	Burns and scalds.				Trau- matism without lacerations.	Wounds, fractures, etc.		
	One part of body, ex- cept eyes	Sev- eral parts of body, ex- cept eyes.	Eyes.	Total.		Head, face (except eyes), and neck.	One eye.	Both eyes.
1904—Concluded.								
Stone, clay, china, and glass.....	188	41	22	251	216	80	39	2
Glass manufactures.....	164	21	15	200	53	42	9	.....
China ware.....	3	4	.....	7	7	4	1	.....
Earthenware.....	2	8	.....	10	27	12	3	.....
Mineral products, not specified.....	19	8	7	34	129	22	26	2
Animal products (hides, leather, etc.).....	23	9	11	43	56	27	8	.....
Food products.....	204	128	23	355	806	236	71	1
Flour milling.....	8	14	3	25	118	31	17	1
Sugar and sugar refining.....	141	66	11	218	461	144	37	.....
Food products, not specified.....	55	48	9	112	228	61	17	.....
Chemical industry.....	112	64	62	238	251	55	67	2
Chemicals.....	57	29	42	128	61	23	21	2
Mineral oils.....	19	16	8	43	41	7	25	.....
Explosives.....	11	5	3	19	10	1	8	.....
Chemical industry, not specified.....	25	14	9	48	139	24	13	.....
All other industries.....	8	6	4	18	15	7	4	.....
Total.....	2,899	888	776	4,563	9,926	2,061	2,380	36
1905.								
Cotton manufactures.....	252	95	53	400	1,479	345	101	2
Wool manufactures.....	24	21	15	60	109	45	28	.....
Silk manufactures.....	2	3	2	7	17	6	.....	.....
Flax, hemp, and jute manufactures.....	20	12	5	37	218	91	50	.....
Textile industries, not specified.....	9	5	1	15	14	5	4	.....
Paper and printing.....	49	32	12	93	116	58	28	1
Paper, parchment, and wall paper.....	28	18	10	56	64	32	11	1
Printing and engraving.....	5	2	.....	7	25	3	1	.....
Paper and printing, not specified.....	16	12	2	30	27	23	16	.....
Wood manufactures.....	18	17	4	39	509	134	49	1
Lumber sawing.....	12	11	2	25	418	126	47	1
Wood working, not specified.....	6	6	2	14	91	8	2	.....
Metals, machinery, and implements.....	2,249	491	729	3,469	5,648	1,179	2,318	39
Iron and steel.....	1,144	256	251	1,651	1,850	288	499	13
Machinery and implements.....	1,022	197	447	1,666	3,577	846	1,704	24
Metal working, not specified.....	83	38	31	152	221	45	115	2
Stone, clay, china, and glass.....	173	41	26	240	217	76	47	1
Glass manufactures.....	161	30	19	210	45	29	22	1
China ware.....	1	.....	.....	1	3	3	.....	.....
Earthenware.....	.....	2	1	3	27	10	4	.....
Mineral products, not specified.....	11	9	6	26	142	34	21	.....
Animal products (hides, leather, etc.).....	25	23	12	60	67	34	19	.....
Food products.....	188	151	32	371	765	203	103	1
Flour milling.....	7	9	5	21	156	22	20	1
Sugar and sugar refining.....	135	104	21	260	479	118	52	.....
Food products, not specified.....	46	38	6	90	130	63	31	.....
Chemical industry.....	105	97	83	285	195	61	60	1
Chemicals.....	52	36	61	149	67	24	27	1
Mineral oils.....	12	14	6	32	30	5	12	.....
Explosives.....	9	8	9	26	4	4	4	.....
Chemical industry, not specified.....	32	39	7	78	94	28	17	.....
All other industries.....	3	12	3	18	19	17	5	.....
Total.....	3,117	1,009	977	5,094	9,364	2,254	2,812	46
1906.								
Cotton manufactures.....	301	169	109	579	2,516	591	188	.....
Wool manufactures.....	35	38	11	84	304	106	27	.....
Silk manufactures.....	8	7	1	16	22	2	1	.....
Flax, hemp, and jute manufactures.....	29	15	12	56	319	153	61	.....
Textile industries, not specified.....	9	8	1	18	38	10	13	.....
Paper and printing.....	34	22	11	67	85	67	38	1
Paper, parchment, and wall paper.....	15	10	5	30	43	27	21	.....
Printing and engraving.....	3	3	.....	6	17	12	6	1
Paper and printing, not specified.....	16	9	26	11	31	25	6	.....

ESTABLISHMENTS, BY INDUSTRIES, 1901 TO 1906—Continued.

Wounds, fractures, etc.															Asphyxiation by gases.	Drowning.	All other injuries.	Grand total.
Shoulder, arm, or wrist.			Fingers.			Lower extremities.			Trunk.	Internal injuries without external wounds (chest, abdomen, skull).	Total.							
R'ht.	Left.	Both.	Right hand.	Left hand.	Both hands.	R'ht.	Left.	Both.										
188	136	5	274	240	11	130	142	3	41	24	1,315		1	5	1,788			
140	95	2	174	126	7	63	70	1	11	9	749				1,002			
2	6		11	12		3	6		4	2	51				65			
9	12	1	15	15	1	23	20	1	8	2	122		1	2	162			
37	23	2	74	87	3	41	46	1	18	11	393			3	559			
19	26		72	79		23	23	2	12	15	306			75	480			
242	242	7	640	574	10	390	422	14	67	55	2,971	6	3	22	4,162			
35	37	1	130	95	1	29	22	1	12	11	423	2	1	13	582			
86	87	5	240	267	4	302	341	11	31	18	1,573	3	1	4	2,260			
121	118	1	270	212	5	59	59	2	24	26	975	1	1	5	1,320			
76	63	1	201	241	4	100	85	3	29	40	967	1		12	1,469			
17	16	1	50	50	1	35	26	2	9	19	272			8	469			
13	6		25	36		8	6		3	5	134				218			
	5		9	9		3	6	1		3	45				74			
46	36		117	146	3	54	47		17	13	516	1		4	708			
2	3		8	8		3	4	1	2	2	44				77			
2,482	2,306	56	7,751	8,275	128	2,853	2,862	86	583	582	32,430	8	7	271	47,205			
423	381	10	1,365	1,256	26	520	557	13	78	75	5,152	2		77	7,110			
148	112	4	341	291	6	55	73	1	18	31	1,153			3	1,316			
1	8		21	14		1	5			3	59				83			
107	115	5	287	249	5	94	101	3	28	17	1,152			1	1,408			
18	15		41	41	1	11	4	1	3	5	149				178			
101	95	2	273	276	3	97	99	8	32	25	1,098			2	1,309			
60	53	2	101	119		48	45	4	23	15	514			2	636			
15	12		77	57	1	4	11	1	1	4	187				219			
26	30		95	100	2	45	43	3	8	6	397				454			
148	117	4	441	682	4	160	161	14	74	23	2,012		1	6	2,567			
114	90	4	281	276	3	136	139	12	64	16	1,309		1	3	1,756			
34	27		160	406	1	24	22	2	10	7	703			3	811			
1,569	1,493	38	4,591	4,911	92	1,809	1,934	58	480	471	20,982		1	56	30,156			
486	454	9	1,518	1,505	30	584	621	10	134	142	6,293			20	9,814			
984	966	29	2,802	3,109	55	1,149	1,226	44	328	308	13,574		1	33	18,851			
99	73		271	297	7	76	87	4	18	21	1,115			3	1,491			
163	132	1	286	260	2	138	163	3	45	17	1,334			2	1,793			
123	91	1	144	143	2	63	78	2	19	5	723				978			
5	7		14	11		4	8		3		55				59			
10	10		23	24		17	22		5	2	127			2	159			
25	24		105	82		54	55	1	18	10	429				597			
36	28		90	111	2	25	41		17	14	417		1	2	547			
296	285	13	703	658	12	458	451	15	91	52	3,341	12		18	4,507			
44	35	2	113	97		23	19	3	8	9	396	4		8	585			
90	94	7	260	271		336	351	10	52	22	1,663	7		4	2,413			
162	156	4	330	290	12	99	81	2	31	21	1,282	1		6	1,509			
67	67	3	236	256	3	103	111	8	30	45	1,051	5		7	1,543			
25	17	1	53	63	3	28	28	1	11	24	306			4	526			
5	7		20	28		6	10		1	4	98				160			
8	4		17	12		5	11		3		68				98			
20	39	2	146	153		64	62	7	15	17	579	5		3	759			
9		1	19	20		13	9	1	5	1	100			1	138			
3,086	2,848	81	8,694	9,925	156	3,484	3,709	125	901	779	38,000	19	3	175	52,655			
597	461	10	1,906	1,859	25	780	792	17	130	77	7,430			81	10,606			
146	124	3	442	364	3	101	85	6	29	47	1,483		2	5	1,878			
4	7		26	22		4	1				67				105			
142	111		372	353	5	125	124	4	55	29	1,534		1	6	1,916			
13	16		50	43	1	9	16		4	9	184				240			
106	90	1	267	253	2	101	82	5	36	16	1,064		1	2	1,219			
64	49		115	90		45	40	4	22	7	484		1	2	560			
22	14		74	63	1	9	5			3	211				234			
20	27	1	78	100	1	47	37	1	14	6	369				425			



## NUMBER OF INJURIES IN EACH SPECIFIED CLASS, IN MANUFACTURING

Industry.	Burns and scalds.				Traumatism without lacerations.	Wounds, fractures, etc.		
	One part of body, except eyes.	Several parts of body, except eyes.	Eyes.	Total.		Head, face (except eyes), and neck.	One eye.	Both eyes.
1906—Concluded.								
Wood manufactures.....	15	18	4	37	476	130	59	.....
Lumber sawing.....	9	13	1	23	443	113	47	.....
Wood working, not specified.....	6	5	3	14	33	17	12	.....
Metals, machinery, and implements.....	2,021	508	891	3,420	5,823	1,332	2,712	56
Iron and steel.....	1,045	289	292	1,626	2,065	354	527	17
Machinery and implements.....	875	179	555	1,609	3,503	922	2,038	37
Metal working, not specified.....	101	40	44	185	255	56	147	2
Stone, clay, china, and glass.....	156	38	24	218	248	68	62	2
Glass manufactures.....	125	14	16	155	58	24	17	.....
China ware.....	1	4	.....	5	7	7	3	.....
Earthenware.....	.....	4	.....	4	23	5	3	.....
Mineral products, not specified.....	30	16	8	54	160	32	39	2
Animal products (hides, leather, etc.).....	38	19	23	80	109	27	13	1
Food products.....	214	160	54	428	942	260	140	12
Flour milling.....	12	17	5	34	184	34	20	9
Sugar and sugar refining.....	159	100	23	282	607	149	82	1
Food products, not specified.....	43	43	26	112	151	77	38	2
Chemical industry.....	104	84	89	277	185	67	71	1
Chemicals.....	55	38	62	153	52	29	28	.....
Mineral oils.....	11	8	7	26	49	9	13	.....
Explosives.....	5	9	2	16	2	.....	2	.....
Chemical industry, not specified.....	33	31	18	82	82	29	28	1
All other industries.....	17	7	7	31	47	10	15	2
Total.....	2,981	1,093	1,237	5,311	11,114	2,822	3,397	75

ESTABLISHMENTS, BY INDUSTRIES, 1901 TO 1906—Concluded.

Wounds, fractures, etc.												Asphyxiation by gases.	Drown- ing.	All oth- er in- jures.	Grand total.
Shoulder, arm, or wrist.			Fingers.			Lower extremi- ties.			Trunk.	Internal injuries without external wounds (chest, abdomen, skull).	Total.				
R 'ht	Left.	Both.	Right hand.	Left hand.	Both hands	R 'ht	Left.	Both.							
147	155	3	513	841	6	180	208	10	100	27	2,379	.....	1	3	2,806
116	118	2	329	304	3	166	182	9	86	25	1,500	.....	1	3	1,970
31	37	1	184	537	3	14	26	1	14	2	879	.....	.....	.....	928
1,585	1,527	22	4,577	4,912	65	1,948	1,846	67	577	594	21,820	2	.....	35	31,100
575	517	16	1,520	1,503	20	639	630	20	143	194	6,675	2	.....	4	10,372
921	888	4	2,736	3,055	43	1,204	1,136	44	410	364	13,802	.....	.....	28	18,942
89	122	2	321	354	2	105	80	3	24	36	1,343	.....	.....	3	1,786
183	171	5	363	338	7	169	185	7	68	31	1,659	3	2	8	2,138
125	115	5	194	136	7	75	68	2	24	7	799	.....	1	.....	1,013
6	12	.....	15	10	.....	9	14	.....	6	1	83	1	.....	.....	96
15	8	.....	25	28	.....	19	26	2	8	9	148	1	1	4	181
37	36	.....	129	164	.....	66	77	3	30	14	629	1	.....	4	848
48	40	.....	123	148	3	33	38	1	18	18	511	1	.....	3	704
353	279	9	795	779	12	563	575	29	170	64	4,040	7	3	8	5,428
57	43	1	129	113	1	29	30	4	19	13	502	5	3	2	730
110	104	4	335	365	5	427	444	18	95	36	2,175	1	.....	1	3,066
186	132	4	331	301	6	107	101	7	56	15	1,363	1	.....	5	1,632
87	64	1	264	256	2	147	147	6	46	45	1,204	1	.....	3	1,670
25	21	1	68	71	.....	47	35	2	22	19	368	1	.....	2	576
10	3	.....	21	21	.....	4	11	1	7	6	106	.....	.....	.....	181
4	9	.....	11	23	1	2	15	.....	2	2	71	.....	.....	.....	89
48	31	.....	164	141	1	94	86	3	15	18	659	.....	.....	1	824
10	12	1	31	34	.....	10	8	.....	4	24	161	.....	.....	3	242
3,421	3,057	55	9,729	10,202	131	4,170	4,107	152	1,237	981	43,536	14	10	157	60,142

RESULTS OF ACCIDENTS IN MANUFACTURING ESTABLISHMENTS, BY INDUSTRIES,  
1901 TO 1906—Continued.

Industry.	Accidents resulting in—								Result of accident unknown.		Total accidents.
	Temporary disability.		Total permanent disability.		Partial permanent disability.		Death.				
	Num-ber.	Per-cent.	Num-ber.	Per-cent.	Num-ber.	Per-cent.	Num-ber.	Per-cent.	Num-ber.	Per-cent.	
1904.											
Cotton manufactures.....	5,735	86.79	5	0.08	807	12.21	31	0.47	20	0.45	6,608
Wool manufactures.....	833	67.78	3	.24	360	29.29	19	1.55	14	1.14	1,229
Silk manufactures.....	60	80.00	.....	.....	15	20.00	.....	.....	.....	.....	75
Flax, hemp, and jute manufactures.....	830	75.94	3	.28	243	22.23	2	.18	15	1.37	1,093
Textiles, not specified.....	107	67.72	1	.63	46	29.12	3	1.20	1	.63	158
Paper and printing.....	986	79.45	1	.08	213	17.16	30	2.42	11	.89	1,241
Paper, parchment, and wall paper.....	490	80.99	1	.16	91	15.04	18	2.98	5	.83	606
Printing and engraving.....	177	73.75	.....	.....	57	23.75	2	.83	4	1.67	240
Paper and printing, not specified.....	319	80.56	.....	.....	65	16.41	10	2.52	2	.51	396
Wood manufactures.....	2,062	79.80	7	.27	447	17.30	38	1.47	30	1.16	2,584
Lumber sawing.....	1,389	77.08	5	.28	348	19.31	33	1.83	27	1.50	1,802
Woodworking, not specified.....	673	86.06	2	.26	99	12.66	5	.64	3	.38	783
Metals, machinery, and implements.....	23,325	88.89	26	.10	2,612	9.95	84	.32	194	.74	26,241
Iron and steel.....	8,642	91.46	6	.06	725	7.68	36	.38	40	.42	9,449
Machinery and implements.....	13,416	87.49	18	.12	1,712	11.17	41	.27	146	.95	15,333
Metal working, not specified.....	1,267	80.84	2	.14	175	11.99	7	.48	8	.55	1,459
Stone, clay, china, and glass.....	1,580	88.37	5	.28	162	9.06	33	1.84	8	.45	1,788
Glass manufactures.....	963	96.11	.....	.....	36	3.59	1	.10	2	.20	1,002
China ware.....	47	72.31	.....	.....	14	21.53	2	3.08	2	3.08	65
Earthenware.....	103	63.58	1	.62	38	23.45	19	11.78	1	.62	162
Mineral products, not specified.....	467	83.54	4	.71	74	13.24	11	1.97	3	.54	569
Animal products (hides, leather, etc.).....	391	81.46	.....	.....	69	14.38	15	3.12	5	1.04	469
Food products.....	3,422	82.20	14	.34	594	14.27	112	2.69	20	.48	4,162
Flour milling.....	393	67.53	3	.52	154	26.46	30	5.15	2	.34	582
Sugar and sugar refining.....	2,016	89.20	6	.27	191	8.45	47	2.08	.....	.....	2,260
Food products, not specified.....	1,013	76.74	5	.38	249	18.86	35	2.65	18	1.37	1,320
Chemical industry.....	1,248	84.96	4	.27	177	12.05	13	.88	27	1.84	1,469
Chemicals.....	405	86.35	2	.43	53	11.30	5	1.07	4	.85	469
Mineral oils.....	188	86.24	2	.92	26	11.92	.....	.....	2	.92	218
Explosives.....	61	82.43	.....	.....	11	14.87	2	2.70	.....	.....	174
Chemical industry, not specified.....	594	83.90	.....	.....	87	12.28	6	.85	21	2.97	708
All other industries.....	61	79.22	1	1.30	8	10.39	2	2.60	5	6.49	77
Total.....	40,640	86.09	70	.15	5,753	12.19	382	.81	300	.76	47,205
1905.											
Cotton manufactures.....	5,863	82.46	10	.14	1,100	15.47	23	.33	114	1.60	7,110
Wool manufactures.....	808	61.40	3	.23	474	36.02	16	1.21	15	1.14	1,316
Silk manufactures.....	60	72.29	.....	.....	19	22.89	2	2.41	2	2.41	83
Flax, hemp, and jute manufactures.....	982	69.75	3	.21	380	26.99	4	.28	39	2.77	1,408
Textiles, not specified.....	108	60.67	.....	.....	65	36.52	2	1.12	3	1.69	178
Paper and printing.....	998	76.24	3	.23	265	20.24	20	1.53	23	1.76	1,309
Paper, parchment, and wall paper.....	487	76.57	1	.16	119	18.71	16	2.52	13	2.04	636
Printing and engraving.....	152	69.41	.....	.....	62	28.31	.....	.....	5	2.28	219
Paper and printing, not specified.....	359	79.08	2	.44	84	18.50	4	.88	5	1.10	454
Wood manufactures.....	1,994	77.68	5	.19	494	19.24	43	1.68	31	1.21	2,567
Lumber sawing.....	1,330	75.74	3	.17	360	20.50	37	2.11	26	1.48	1,756
Woodworking, not specified.....	664	81.87	2	.25	134	16.52	6	.74	5	.62	811
Metals, machinery, and implements.....	25,089	83.19	17	.06	4,158	13.79	78	.26	814	2.70	30,156
Iron and steel.....	8,735	89.01	3	.03	1,017	10.36	23	.23	36	.37	9,814
Machinery and implements.....	15,143	80.33	11	.06	2,888	15.32	48	.25	761	4.04	18,851
Metal working, not specified.....	1,211	81.22	3	.20	253	16.97	7	.47	17	1.14	1,491

RESULTS OF ACCIDENTS IN MANUFACTURING ESTABLISHMENTS, BY INDUSTRIES,  
1901 TO 1906—Concluded.

Industry.	Accidents resulting in—								Result of accident unknown.		Total accidents.
	Temporary disability.		Total permanent disability.		Partial permanent disability.		Death.				
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	
1905—Concluded.											
Stone, clay, china, and glass.....	1,562	87.11	3	0.17	186	10.37	20	1.12	22	1.23	1,793
Glass manufactures.....	910	93.05	.....	.....	50	5.11	5	.51	13	1.33	978
China ware.....	49	83.05	.....	.....	8	13.56	2	3.39	.....	.....	59
Earthenware.....	102	64.15	1	.63	44	27.67	7	4.40	5	3.15	159
Mineral products, not specified.....	501	83.92	2	.33	84	14.07	6	1.01	4	.67	597
Animal products (hides, leather, etc.).....	441	80.62	.....	.....	89	16.27	8	1.43	9	1.65	547
Food products.....	3,616	80.23	7	.15	730	16.20	92	2.04	62	1.38	4,507
Flour milling.....	425	72.65	2	.34	129	22.05	23	3.93	6	1.03	585
Sugar and sugar refining.....	2,055	85.16	4	.17	279	11.56	41	1.70	34	1.41	2,413
Food products, not specified.....	1,136	75.28	1	.06	322	21.34	28	1.86	22	1.46	1,509
Chemical industry.....	1,282	83.08	7	.45	202	13.09	21	1.37	31	2.01	1,543
Chemicals.....	452	85.93	.....	.....	64	12.17	4	.76	6	1.14	526
Mineral oils.....	132	82.50	.....	.....	24	15.00	3	1.87	1	.63	160
Explosives.....	86	87.76	2	2.04	8	8.16	2	2.04	.....	.....	98
Chemical industry, not specified.....	612	80.63	5	.66	106	13.97	12	1.58	24	3.16	739
All other industries.....	98	71.02	1	.72	34	24.64	3	2.17	2	1.45	138
Total.....	42,901	81.47	59	.11	8,196	15.57	332	.63	1,167	2.22	52,655
1906.											
Cotton manufactures.....	7,980	75.24	5	.05	2,403	22.66	49	.46	169	1.59	10,606
Wool manufactures.....	1,166	62.09	4	.21	658	35.04	19	1.01	31	1.65	1,878
Silk manufactures.....	84	80.00	.....	.....	15	14.29	.....	.....	6	5.71	105
Flax, hemp, and jute manufactures.....	1,397	72.91	1	.05	425	22.18	9	.47	84	4.39	1,916
Textile industries, not specified..	149	62.08	.....	.....	82	34.17	4	1.67	5	2.08	240
Paper and printing.....	857	70.31	7	.57	300	24.61	16	1.31	39	3.20	1,219
Paper, parchment, and wall paper.....	400	71.43	4	.71	129	23.04	12	2.14	15	2.68	560
Printing and engraving.....	135	57.69	3	1.28	80	34.19	1	.43	15	6.41	234
Paper and printing, not specified.....	322	75.76	.....	.....	91	21.41	3	.71	9	2.12	425
Wood manufactures.....	2,191	75.65	5	.17	565	20.55	37	1.28	68	2.35	2,896
Lumber sawing.....	1,435	72.84	3	.15	446	22.64	36	1.83	50	2.54	1,970
Wood working, not specified.....	756	81.64	2	.22	149	16.09	1	.11	18	1.94	926
Metals, machinery, and implements.....	24,908	80.09	21	.07	4,323	13.90	73	.23	1,775	5.71	31,100
Iron and steel.....	8,986	86.64	5	.05	1,286	12.40	25	.24	70	.67	10,372
Machinery and implements.....	14,503	76.57	14	.07	2,697	14.24	38	.20	1,690	8.92	18,942
Metal working, not specified.....	1,419	79.43	2	.11	340	19.04	10	.56	15	.84	1,786
Stone, clay, china, and glass.....	1,855	86.76	4	.19	222	10.39	27	1.26	30	1.40	2,138
Glass manufactures.....	953	94.07	1	.10	47	4.64	3	.30	9	.89	1,013
China ware.....	74	77.08	1	1.04	17	17.71	1	1.04	3	3.13	96
Earthenware.....	124	68.51	1	.55	41	22.65	11	6.08	4	2.21	181
Mineral products, not specified.....	704	83.02	1	.12	117	13.79	12	1.42	14	1.65	848
Animal products (hides, leather, etc.).....	544	77.27	1	.14	130	18.47	11	1.56	18	2.56	704
Food products.....	4,323	79.64	7	.13	864	15.92	100	1.84	134	2.47	5,428
Flour milling.....	497	68.08	1	.14	191	26.16	30	4.11	11	1.51	730
Sugar and sugar refining.....	2,629	85.75	1	.03	331	10.79	44	1.44	61	1.99	3,066
Food products, not specified.....	1,197	73.35	5	.31	342	20.96	26	1.59	62	3.79	1,632
Chemical industry.....	1,363	81.62	5	.30	234	14.01	22	1.32	46	2.75	1,670
Chemicals.....	484	84.03	1	.17	80	13.89	4	.69	7	1.22	576
Mineral oils.....	138	76.24	3	1.66	33	18.23	5	2.76	2	1.11	181
Explosives.....	77	86.52	.....	.....	10	11.24	2	2.24	.....	.....	89
Chemical industry, not specified.....	664	80.58	1	.12	111	13.47	11	1.34	37	4.49	824
All other industries.....	177	73.14	.....	.....	45	18.60	4	1.65	16	6.61	242
Total.....	46,994	78.14	60	.10	10,296	17.12	371	.62	2,421	4.02	60,142

**DURATION OF TREATMENT.**—The following table throws some light upon the average duration of disability due to accidents. According to the regulations supplementary to the law of June 2, 1903, the number of days during which sick allowances of half the wages were paid must be reported, these allowances being paid until complete recovery or until the degree of disability is established. While the data are admitted to be somewhat inaccurate, since only working days were included in some cases, and all days in other cases, and no data were available for some cases, nevertheless the statistical error is said to be probably small. Not only do the majority of industrial accidents terminate in complete recovery, after temporary disability, but a large proportion of these cases last a very short time. In 1904, 12,441, or 30.72 per cent of the temporary disability cases, were cases terminating in complete recovery after 7 days of treatment or less; 11,899, or 29.38 per cent, after 8 to 14 days of treatment, and 6,087, or 15.03 per cent, after 15 to 21 days, so that 75.13 per cent of all the cases lasted 3 weeks or less. The average length of treatment for cases of temporary disability was only 17.8 days; for the cases of permanent disability it was considerably longer, 71.1 days, the general average for all cases being 24.3 days.

In 1905 the proportion of temporary disability cases lasting only 7 days or less declined to 28.73 per cent, and in 1906 was 28.85 per cent. On the other hand, the number of cases requiring from 8 to 14 days of absence from work increased from 29.38 per cent in 1904 to 30.23 per cent in 1906, so that over 59 per cent of these cases lasted not over 2 weeks; and the proportion of cases lasting not over 3 weeks was, in 1904, 75.13 per cent; in 1905, 73.71 per cent, and in 1906, 73.89 per cent. In general there has been a slight lengthening of the average duration of disability of the temporary cases from 17.8 days in 1904 to 18.8 days in 1905, and 19 days in 1906, while in the general group of permanent disability cases there was a decrease from 71.1 days in 1904 to 67.2 days in 1905 and 64.4 days in 1906. This is due to the increase in the number of minor cases which, by a more favorable adjudication, are considered cases of permanent disability.

DURATION OF TREATMENT IN ACCIDENTS RESULTING IN TEMPORARY DISABILITY, PERMANENT DISABILITY, AND DEATH, IN MANUFACTURING ESTABLISHMENTS, 1904 TO 1906.

[Source: Ministerstvo Torgovli i Promyshlennosti. Otdiel promyshlennosti. Statistika neschastnykh sluchaev s rabochimi, 1901-1906.]

Duration of treatment.	Accidents resulting in—									Total accidents.		
	Temporary disability.			Permanent disability.			Death.					
	Number.	Per cent.	Average days of treatment.	Number.	Per cent.	Average days of treatment.	Number.	Per cent.	Average days of treatment.	Number.	Per cent.	Average days of treatment.
1904.												
7 days and under.....	12,441	30.72	5.1	274	4.73	3.4	320	83.77	1.6	13,035	27.92	4.9
8 to 14 days.....	11,899	29.38	10.8	319	5.50	11.3	22	5.76	10.5	12,240	26.22	10.8
15 to 21 days.....	6,087	15.03	17.6	815	5.44	17.9	15	3.93	17.6	6,417	13.75	17.6
22 to 28 days.....	3,228	7.97	24.8	375	6.47	25.2	6	1.57	23.8	3,609	7.73	24.8
29 to 35 days.....	2,129	5.26	31.3	451	7.78	32.1	4	1.05	31.5	2,584	5.54	31.4
36 to 42 days.....	1,375	3.39	39.0	411	7.09	39.4	.....	.....	.....	1,786	3.83	39.1
43 to 49 days.....	839	2.07	45.7	401	6.92	45.6	2	.52	44.0	1,242	2.66	45.6
50 to 56 days.....	534	1.32	53.1	362	6.25	52.8	.....	.....	.....	896	1.92	53.0
57 to 63 days.....	410	1.01	59.6	409	7.06	60.1	.....	.....	.....	819	1.75	59.9
64 to 70 days.....	261	.64	66.8	270	4.66	66.9	2	.52	68.0	533	1.14	66.9
71 to 77 days.....	193	.48	73.9	268	4.62	74.3	.....	.....	.....	461	.99	74.1
78 to 84 days.....	151	.37	80.8	241	4.16	81.0	1	.26	81.0	393	.84	80.9
85 to 91 days.....	135	.33	88.4	236	4.07	88.1	.....	.....	.....	371	.79	88.2
92 days and over.....	481	1.19	142.0	1,390	23.99	154.4	6	1.57	161.0	1,877	4.02	151.3
Unknown.....	342	.84	21.6	73	1.26	79.1	4	1.05	1.0	419	.90	31.4
Total.....	40,505	100.00	17.8	5,795	100.00	71.1	382	100.00	6.6	46,682	100.00	24.3
1905.												
7 days and under.....	12,252	28.73	5.4	417	5.17	3.2	264	79.52	1.6	12,933	25.34	5.3
8 to 14 days.....	12,641	29.64	10.8	488	6.05	11.2	32	9.64	10.6	13,161	25.78	10.8
15 to 21 days.....	6,542	15.34	17.8	461	5.72	18.4	7	2.11	17.6	7,010	13.73	17.8
22 to 28 days.....	3,783	8.87	24.7	535	6.63	25.2	5	1.51	24.8	4,323	8.47	24.8
29 to 35 days.....	2,470	5.79	31.7	668	8.28	31.9	3	.90	30.7	3,141	6.15	31.7
36 to 42 days.....	1,385	3.25	39.1	635	7.87	39.3	4	1.21	38.0	2,024	3.97	39.1
43 to 49 days.....	941	2.21	45.8	571	7.08	45.8	3	.90	46.0	1,515	2.97	45.8
50 to 56 days.....	651	1.53	52.7	530	6.57	52.9	2	.60	50.5	1,183	2.32	52.8
57 to 63 days.....	470	1.10	59.9	521	6.46	60.2	.....	.....	.....	991	1.94	60.1
64 to 70 days.....	309	.72	66.7	427	5.29	67.0	.....	.....	.....	736	1.44	66.9
71 to 77 days.....	241	.56	73.4	359	4.45	74.1	3	.90	74.0	603	1.18	73.8
78 to 84 days.....	172	.40	81.1	325	4.03	81.0	.....	.....	.....	497	.97	81.0
85 to 91 days.....	167	.39	88.2	300	3.72	88.2	1	.30	8.6	468	.92	88.2
92 days and over.....	626	1.47	134.9	1,829	22.68	149.4	8	2.41	182.5	2,463	4.82	145.8
Total.....	42,650	100.00	18.8	8,066	100.00	67.2	332	100.00	9.8	51,048	100.00	26.4
1906.												
7 days and under.....	13,481	28.85	5.4	681	6.74	2.3	290	79.02	3.0	14,452	25.27	5.2
8 to 14 days.....	14,127	30.23	10.7	557	5.52	11.5	28	7.63	10.6	14,712	25.72	10.8
15 to 21 days.....	6,922	14.81	17.7	629	6.23	18.3	11	2.99	17.5	7,562	13.22	16.4
22 to 28 days.....	3,919	8.39	24.8	638	6.32	25.2	7	1.91	25.0	4,564	7.98	24.8
29 to 35 days.....	2,568	5.50	31.7	764	7.57	31.9	3	.82	33.3	3,335	5.83	31.7
36 to 42 days.....	1,575	3.37	38.8	748	7.41	39.3	3	.82	38.3	2,326	4.07	39.0
43 to 49 days.....	1,034	2.21	45.8	712	7.05	46.0	1	.27	44.0	1,747	3.05	45.9
50 to 56 days.....	712	1.52	52.9	700	6.93	53.1	4	1.09	51.3	1,416	2.48	53.0
57 to 63 days.....	603	1.29	60.1	735	7.28	60.0	2	.54	57.0	1,340	2.34	60.0
64 to 70 days.....	374	.80	67.0	552	5.47	67.1	3	.82	67.0	929	1.62	67.1
71 to 77 days.....	281	.60	73.9	491	4.86	74.0	3	.82	74.3	775	1.36	74.0
78 to 84 days.....	248	.53	80.6	390	3.86	80.9	3	.82	82.3	641	1.12	80.8
85 to 91 day .....	157	.34	87.4	375	3.71	88.5	.....	.....	.....	532	.93	88.2
92 days and over.....	730	1.56	135.4	2,126	21.05	145.4	9	2.45	144.9	2,865	5.01	142.8
Total.....	46,731	100.00	19.0	10,098	100.00	64.4	367	100.00	9.3	57,196	100.00	27.0



Altogether the number of days of treatment until final determination of the result of injury for all cases was as follows:

TOTAL DAYS OF TREATMENT IN CASES OF ACCIDENT, BY RESULT OF INJURY, 1904 TO 1906.

Result of injury.	1904.	1905.	1906.
Temporary disability.....	721,736	802,070	886,024
Permanent disability.....	411,706	541,813	650,516
Death.....	2,549	3,265	3,426
Total.....	1,135,491	1,347,148	1,539,964

Thus in two years there has been an increase of 22.8 per cent in the total days for which temporary disability payments were made, while the number of accidents has increased 22.5 per cent. There does not appear, therefore, to have been any undue tendency to protract the duration of treatment.

ACCIDENTS IN MINES AND METALLURGICAL ESTABLISHMENTS.

The statistics of accidents in the mines and metallurgical establishments are available for a much longer period than for the manufacturing industries; but since the data are very incomplete for the earlier years, it was thought sufficient to give the data for the last 12 years, 1896 to 1907. Even for this period the number of recorded accidents has increased from 9,867 in 1896 to 72,910 in 1907, and the rate from 20.2 to 111.9 per thousand, which makes the earliest data of comparatively little value. The number of employees, the number of accidents recorded, and the accidents per 1,000 employees are shown in the table following:

NUMBER OF EMPLOYEES, ACCIDENTS RECORDED, AND ACCIDENT RATE PER 1,000 EMPLOYEES IN MINES AND METALLURGICAL ESTABLISHMENTS, ACCORDING TO REPORTS OF SCIENTIFIC MINING COMMITTEE, 1896 TO 1907.

[Source: Sbornik Statisticheskikh svedenii o gornozavodskoi promyshlennosti Rossii, 1896-1907. Data for the Duchy of Finland, which are included in the original report, have been eliminated.]

Year.	Number of employees.	Accidents recorded.		Year.	Number of employees.	Accidents recorded.	
		Number.	Per 1,000 employees.			Number.	Per 1,000 employees.
1896.....	480,038	9,867	20.2	1902.....	621,993	33,585	54.0
1897.....	543,468	10,365	19.1	1903.....	605,925	44,597	73.6
1898.....	588,406	20,562	34.9	1904.....	595,526	67,119	112.7
1899.....	633,743	13,257	20.9	1905.....	577,757	62,018	107.4
1900.....	710,824	29,100	40.9	1906.....	638,468	71,901	112.6
1901.....	678,731	23,335	34.4	1907.....	651,614	72,910	111.9

The statistics are published by the scientific mining committee of the Ministry of Agriculture and State Domains in its annual reports of the mining industry of Russia. The reports embrace, besides the

mining industry proper, also the metallurgical establishments, and they follow no well-defined rule in regard to the limits between the metallurgical and metal-working industry. An examination of the table following shows that while the number of accidents reported from the mines has been regularly increasing, due to improvement of statistical service, the accidents in the metallurgical establishments (mainly iron and steel mills) fluctuated greatly as from 8,602 in 1897 to 18,349 in 1898, then again to 9,876 in 1899; and increased to 25,195 in 1900, to drop again to 17,509 in 1901. These violent fluctuations are explained by the fact that some very large steel-manufacturing plants furnished data and were included in the metallurgical report for the years 1898, 1900, 1902, 1903, and 1904 and did not furnish any data and were not included in the years 1896, 1897, 1899, 1901, and 1905.

NUMBER OF ACCIDENTS IN MINES AND METALLURGICAL ESTABLISHMENTS, ACCORDING TO REPORTS OF SCIENTIFIC MINING COMMITTEE, 1896 TO 1907.

[Source: Sbornik Statisticheskikh svedenii o gornozavodskoi promyshlennosti Rossii, 1896-1907. Data for the Duchy of Finland, which are included in the original report, have been eliminated.]

Year.	Coal mines.	Gold and platinum mines.	Iron, copper, and other mines.	Quarries.	Oil wells and salt mines.	All mines and quarries.	Metallurgical establishments.	Mines and metallurgical establishments.
<b>Fatal accidents:</b>								
1896.....	125	46	30	65	17	292	86	378
1897.....	151	33	53	40	31	308	95	403
1898.....	251	42	69	51	50	463	145	608
1899.....	205	50	64	62	60	441	147	588
1900.....	288	36	58	50	65	497	142	639
1901.....	327	35	50	49	53	514	133	647
1902.....	267	55	32	36	39	429	95	524
1903.....	211	53	45	50	38	397	113	510
1904.....	266	50	59	38	30	443	112	555
1905.....	380	53	61	26	32	552	117	669
1906.....	350	48	40	20	45	503	99	602
1907.....	363	74	70	29	11	547	116	663
<b>Nonfatal accidents:</b>								
1896.....	295	286	443	179	55	1,258	8,228	9,486
1897.....	601	299	408	64	83	1,456	8,507	9,962
1898.....	708	426	392	72	142	1,740	18,204	19,944
1899.....	1,147	635	419	430	309	2,940	9,729	12,669
1900.....	1,503	673	476	311	445	3,408	25,053	28,461
1901.....	1,717	557	618	328	2,092	5,312	17,376	22,688
1902.....	4,726	592	608	209	2,407	8,542	24,519	33,068
1903.....	7,711	779	649	250	3,484	12,873	31,214	44,087
1904.....	20,853	915	2,381	162	4,536	28,847	37,817	66,664
1905.....	23,468	1,090	2,396	132	3,063	30,160	31,180	61,349
1906.....	27,871	1,382	3,283	142	4,289	36,967	34,332	71,299
1907.....	29,410	1,703	4,143	162	900	35,885	36,362	72,247
<b>All accidents:</b>								
1896.....	420	332	483	244	72	1,553	8,314	9,867
1897.....	752	332	461	104	114	1,763	8,602	10,365
1898.....	959	468	461	123	192	2,203	18,349	20,552
1899.....	1,352	685	483	492	369	3,381	9,876	13,257
1900.....	1,791	709	534	361	510	3,905	25,195	29,100
1901.....	2,044	592	668	377	2,145	5,826	17,509	23,335
1902.....	4,993	647	640	245	2,446	8,971	24,614	33,585
1903.....	7,922	832	694	300	3,522	13,270	31,327	44,597
1904.....	21,119	965	2,440	200	4,566	29,290	37,929	67,119
1905.....	23,848	1,143	2,457	158	3,115	30,721	31,297	62,018
1906.....	28,221	1,430	3,323	162	4,334	37,470	34,431	71,901
1907.....	29,047	1,777	4,073	191	911	36,432	36,478	72,910

The general increase of the number of accidents reported in 1900 was due to the union of the local mining councils with the factory councils into local councils on factories and mines. From 1903 the effect of the workmen's compensation law of June 2 (15), 1903, which demanded accurate accident statistics, was to increase the number of reported accidents by more than 50 per cent.

In the original reports from which the tables were compiled no comparison was made between the number of accidents and the total number of workmen, and different classifications were used. In order to obtain the accident rate in the various branches of the mining industry the two classifications were carefully adjusted. For reasons given above, the rates do not approach any degree of accuracy until 1903, and therefore such comparison is made only for the last three years. The rate of accidents for the entire industry in 1903 was 73.6 per thousand. The enforcement of the compensation act increased it to 112.7 in 1904.

Contrary to popular impression the work in the metallurgical establishments is more hazardous than that in the mines, the first showing in 1905 a rate of 127.7, and the latter one of 92.4 only. There are many differences in the various classes of mines and quarries. The quarries showed an accident rate of only 4.3 per thousand. This rate may be explained by the fact that the great majority of quarries with very few employees do not come under the provision of the compensation act of 1903, and no increase has taken place in the number of accidents reported since 1904. Thus in 1905 there were 3,920 quarries with 36,820 employees, or less than 10 employees per establishment. In the gold mines the rate is also very low—14.9 per thousand—because most of the gold is obtained in Russia by processes of surface mining. In the other metal mines the rate rises to 48.5, and in the oil fields to 65.3, while in the coal mines it is as high as 198.4 per thousand.

In regard to the results of the accidents, the cases are classified into fatal and nonfatal, no further information as to the nature of injury in the recovered cases being given. The data for fatal accidents are much less subject to fluctuation, and evidently more comparable for the entire decade. They constitute about 1 per cent of all accidents; in the coal mines the proportion rises to about 1½ per cent. In 1903 one out of every 1,188 employees shown in the table following was fatally injured; and in 1907 one out of every 983. In the coal mines the proportion was 1 out of every 454 in 1907.

NUMBER OF EMPLOYEES, ACCIDENTS REPORTED, AND ACCIDENT RATE PER 1,000 IN MINES AND METALLURGICAL ESTABLISHMENTS, ACCORDING TO REPORTS OF SCIENTIFIC MINING COMMITTEE, 1903 TO 1907.

[Source: Sbornik Statisticheskikh svedenii o gornozavodskoi promyshlennosti Rossii, 1903-1907.]

Industry.	Number of em- ployees.	Accidents reported.				Number of em- ployees to each fatal ac- cident.
		Fatal.	Nonfatal.	Total—		
				Number.	Per 1,000 em- ployees.	
<b>Metallurgical establishments:</b>						
1903.....	280,987	113	31,214	31,327	111.5	2,486
1904.....	260,049	112	37,817	37,929	145.9	2,322
1905.....	245,146	117	31,180	31,297	127.7	2,095
1906.....	281,535	99	34,332	34,431	122.2	2,844
1907.....	264,136	116	36,362	36,478	138.1	2,277
<b>Coal mines:</b>						
1903.....	105,774	211	7,711	7,922	74.9	501
1904.....	117,743	266	20,853	21,119	179.3	443
1905.....	120,214	380	23,468	23,848	198.4	316
1906.....	145,392	350	27,871	28,221	194.1	415
1907.....	164,819	363	29,410	29,047	176.2	454
<b>Gold, silver, and platinum mines:</b>						
1903.....	90,633	53	779	832	9.2	1,700
1904.....	81,703	50	915	965	11.8	1,634
1905.....	77,203	53	1,090	1,143	14.9	1,457
1906.....	74,366	48	1,382	1,430	19.2	1,549
1907.....	72,484	74	1,703	1,777	24.5	979
<b>Iron, copper, and other mines:</b>						
1903.....	42,653	45	649	694	16.3	946
1904.....	48,177	59	2,381	2,440	50.6	816
1905.....	50,678	61	2,396	2,457	48.5	831
1906.....	52,980	40	3,283	3,323	62.7	1,324
1907.....	61,071	70	4,143	4,073	66.7	872
<b>Quarries:</b>						
1903.....	43,946	50	250	300	6.8	879
1904.....	41,605	38	162	200	4.1	1,095
1905.....	36,820	26	132	158	4.3	1,416
1906.....	34,875	20	142	162	4.7	1,744
1907.....	34,367	29	162	191	5.5	1,185
<b>Oil wells and salt mines:</b>						
1903.....	41,932	38	3,484	3,522	84.0	1,104
1904.....	46,249	30	4,536	4,566	98.7	1,542
1905.....	47,696	32	3,083	3,115	65.3	1,492
1906.....	49,605	45	4,289	4,334	87.5	1,103
1907.....	54,737	a 11	a 900	a 911	.....	.....
<b>All mines and quarries:</b>						
1903.....	324,938	397	12,873	13,270	40.8	818
1904.....	335,477	443	28,847	29,290	84.2	757
1905.....	332,611	552	30,169	30,721	92.4	603
1906.....	352,245	503	36,967	37,470	106.4	700
1907.....	387,478	547	35,885	36,432	94.0	713
<b>All mines and metallurgical establishments:</b>						
1903.....	605,925	510	44,087	44,597	73.6	1,188
1904.....	595,526	555	66,664	67,119	112.7	1,073
1905.....	577,757	669	61,349	62,018	107.4	864
1906.....	638,468	602	71,299	71,901	112.6	1,061
1907.....	651,614	663	72,247	72,910	111.9	983

<sup>a</sup> Data are incomplete.

ACCIDENT STATISTICS ACCORDING TO REPORTS OF MINE INSPECTORS.—Notwithstanding the high rate of 112 per thousand, the accident statistics gathered by the scientific mining committee and presented in the preceding table are far from complete. Since the accident compensation law of 1903 went into effect, the mining department of the Ministry of Commerce and Industry has undertaken the publication of accident statistics through its mining inspectors, who exercise the same functions in regard to the mining and

metallurgical establishments as the factory inspectors do for the manufacturing industry.

The reports for 1905 and 1906 are available, and, notwithstanding a certain lack of statistical accuracy (which manifests itself mainly in the fact that in many instances the items in the tables do not add to the total), the data of these reports are thought sufficiently important to be presented here. The reports embrace only such mining and metallurgical establishments as are subject to mine inspection and include only about 500,000 workmen as against 650,000 recorded by the mining committee, which includes also the establishments of the State and Crown. Nevertheless the mine inspectors record a larger number of accidents (69,031 in 1905 against 63,018, and 75,907 in 1906 against 72,910), and a very much higher accident rate, which in 1906 reached 150 per thousand. The rate in the metallurgical establishments rises to 177 per thousand and in the coal mines to 247.6.

**NUMBER OF EMPLOYEES, ACCIDENTS REPORTED, AND ACCIDENT RATE PER 1,000 IN MINES AND METALLURGICAL ESTABLISHMENTS, ACCORDING TO REPORTS OF MINE INSPECTORS 1905 AND 1906.**

[Source: Ministerstvo Torgvoli i Promyshlennosti. Gorny Departament. Statistika neschastnykh sluchayev s rabochimi, 1905, 1906.]

Industry.	1905.			1906.		
	Em- ployees.	Accidents reported.		Em- ployees.	Accidents reported.	
		Number.	Per 1,000 em- ployees.		Number.	Per 1,000 em- ployees.
Metallurgical establishments.....	188,080	29,377	156.2	176,436	31,226	177.0
Metal mines.....	49,967	2,880	47.6	47,344	3,143	66.0
Coal mines.....	117,589	32,232	274.1	140,139	34,697	247.6
Gold mines.....	81,715	1,188	14.5	76,342	1,890	20.9
Salt quarries.....	3,204	11	3.4	2,133	13	6.1
Quarries.....	7,491	160	21.4	14,787	176	11.9
All others and unclassified (a).....	38,412	3,683	95.9	46,697	5,053	108.2
Total.....	b 483,882	69,031	142.7	b 504,555	75,907	150.4

<sup>a</sup> Data from the Caucasus mining district, including mainly oil wells, were not classified by branch of industry.

<sup>b</sup> This total is not the correct sum of the items; the figures are given as shown in the original report.

The nature of the injuries sustained in mines and metallurgical establishments is given in the following table, and the same classification being used as for accidents in manufacturing establishments, comparisons are made possible. Burns are very frequent in the metallurgical plants, representing 14.31 per cent of all accidents. Injuries to the upper extremity and fingers seem less frequent than in manufacturing establishments, being, in 1906, 27.6 per cent against 35 per cent.

## NUMBER AND PER CENT OF INJURIES OF EACH SPECIFIED CLASS IN MINES AND METALLURGICAL ESTABLISHMENTS, ACCORDING TO REPORTS OF MINE INSPECTORS, 1905 AND 1906.

[Source: Ministerstvo Torgovli i Promyshlennosti. Gorny Departament. Statistika neschastnykh sluchaev s rabochimi, 1905, 1906.]

Nature of injury.	Accidents in—										Total.	
	Metallurgical establishments.		Metal mines.		Coal mines.		Gold mines.		All other.			
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
1905.												
Burns and scalds:												
One part of body (except eyes).....	2,862	9.71	31	1.23	264	0.81	6	0.51	18	1.72	3,181	4.57
Several parts of body (except eyes).....	754	2.56	21	.84	166	.51	7	.59	23	2.19	971	1.39
Eyes.....	602	2.04	10	.40	62	.19	1	.08	11	1.05	686	.99
Total.....	4,218	14.31	62	2.47	492	1.51	14	1.18	52	4.96	4,838	6.95
Traumatism without lacerations...	8,136	27.60	309	12.31	11,149	34.28	281	23.69	102	9.72	19,977	28.71
Wounds, fractures, etc.:												
Head, face (except eyes), and neck....	1,383	4.69	208	8.28	2,842	8.74	131	11.05	79	7.53	4,643	6.67
One eye.....	960	3.26	99	3.94	1,458	4.48	42	3.54	104	9.91	2,663	3.83
Both eyes.....	61	.21	14	.56	51	.16	3	.25	4	.38	133	.19
Shoulder, arm, or wrist—												
Right.....	1,506	5.11	141	5.62	1,451	4.46	78	6.58	59	5.63	3,235	4.65
Left.....	1,224	4.15	152	6.05	1,494	4.59	65	5.48	43	4.10	2,978	4.28
Both.....	64	.22	5	.20	62	.19	2	.17	5	.48	142	.20
Fingers—												
Right hand..	3,453	11.71	342	13.62	3,940	12.11	103	8.68	110	10.49	7,948	11.42
Left hand..	3,050	10.34	319	12.70	4,274	13.14	105	8.85	124	11.82	7,872	11.31
Both hands..	144	.49	7	.28	68	.21	1	.08	2	.19	216	.31
Lower extremity—												
Right.....	2,075	7.04	351	13.98	1,737	5.34	131	11.05	127	12.11	4,421	6.35
Left.....	1,766	5.99	317	12.62	1,801	5.54	135	11.38	132	12.58	4,151	5.97
Both.....	74	.25	18	.72	69	.21	7	.59	2	.19	170	.25
Trunk.....	318	1.08	92	3.66	857	2.64	41	3.46	38	3.62	1,343	1.93
Internal injuries without external wounds (chest, abdomen, and skull).....	355	1.20	84	3.35	413	1.27	21	1.77	51	4.86	924	1.33
Total.....	16,433	55.74	2,149	85.58	20,511	63.07	865	72.93	880	83.89	40,839	58.69
Asphyxiation by gas.....	31	.11	2	.80	98	.30	5	.42	1	.10	137	.20
Drowning.....					15	.05	6	.51			21	.03
All other injuries...	661	2.24	18	.72	254	.78	15	1.27	13	1.24	3,774	5.42
Grand total..	29,479	100.00	2,511	100.00	32,522	100.00	1,186	100.00	1,049	100.00	60,588	100.00
1906.												
Burns and scalds:												
One part of body (except eyes).....	2,865	9.15	39	1.23	233	.66	11	.70	25	2.47	3,173	4.14
Several parts of body (except eyes).....	720	2.30	17	.53	193	.55	4	.26	17	1.68	975	1.27
Eyes.....	738	2.36	21	.66	62	.17	6	.38	11	1.09	845	1.10
Total.....	4,323	13.81	77	1.42	488	1.38	21	1.34	53	5.44	4,993	6.51

\* This total is not the correct sum of the items; the figures are given as shown in the original report.

\* Including a duplication of 557 injuries to persons who received injuries of more than one kind. This total is not the correct sum of the items; the figures are given as shown in the original report.



NUMBER AND PER CENT OF INJURIES OF EACH SPECIFIED CLASS IN MINES AND METALLURGICAL ESTABLISHMENTS, ACCORDING TO REPORTS OF MINE INSPECTORS, 1905 AND 1906—Concluded.

Nature of injury.	Accidents in—										Total.	
	Metallurgical establishments.		Metal mines.		Coal mines.		Gold mines.		All other.			
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
1906—Concluded.												
Traumatism without lacerations...	5,872	18.76	454	14.25	11,151	31.58	381	24.37	95	9.40	17,953	23.43
Wounds, fractures, etc.:												
Head, face (except eyes), and neck....	1,287	4.11	301	9.45	2,968	8.40	173	11.07	92	9.10	4,821	6.29
One eye.....	1,344	4.29	167	5.24	1,529	4.33	65	4.16	76	7.52	3,181	4.15
Both eyes.....	126	.40	21	.66	53	.15	14	.89	4	.39	220	.29
Shoulder, arm, or wrist:												
Right.....	1,142	3.65	193	6.06	1,761	4.99	100	6.40	46	4.55	3,244	4.23
Left.....	1,089	3.48	156	4.90	1,817	5.15	61	3.90	40	3.96	3,163	4.13
Both.....	52	.17	13	.41	64	.18	2	.13	4	.39	135	.18
Fingers—												
Right hand	4,518	14.44	679	21.31	4,605	13.05	140	8.96	92	9.10	10,034	13.09
Left hand..	5,401	17.26	389	12.21	4,826	13.67	136	8.70	95	9.40	10,907	14.23
Both hands	96	.30	18	.56	55	.16	3	.19	4	.39	176	.23
Lower extremity—												
Right.....	2,640	8.44	288	9.03	2,058	5.83	182	11.64	84	8.31	5,255	6.86
Left.....	1,896	6.06	205	6.43	2,111	5.98	153	9.79	103	10.19	4,468	5.84
Both.....	59	.19	18	.56	106	.30	14	.90	12	1.19	209	.27
Trunk.....	257	.82	76	2.39	941	2.66	55	3.52	84	8.31	1,413	1.84
Internal injuries without external wounds (chest, abdomen, and skull).....	701	2.24	117	3.67	538	1.52	31	1.98	81	8.01	1,468	1.91
Total.....	20,618	65.88	2,641	82.88	23,492	66.53	1,129	72.23	817	80.81	48,699	63.55
Asphyxiation by gas.....	19	.07	1	.03	39	.11	5	.32			64	.08
Drowning.....	1	(a)			2	.01	5	.32	2	.20	9	.01
All other injuries...	463	1.48	13	.41	140	.39	22	1.40	34	3.36	672	.88
Grand total..	31,296	100.00	3,186	100.00	35,312	100.00	1,563	100.00	1,011	100.00	76,629	100.00

<sup>a</sup> Less than one-hundredth of 1 per cent.

<sup>b</sup> The total is not the correct sum of the items; the figures are given as shown in the original report.

<sup>c</sup> Including 4,205 injuries the nature of which is not reported. This total is not the correct sum of the items; the figures are given as shown in the original report.

**RESULTS OF ACCIDENTS.**—Fatal results of accidents are proportionately more frequent in the mining establishments than in manufacturing, the proportion of fatal accidents in mines in 1906 being 0.82 per cent as against 0.62 per cent in manufactures. On the other hand, the cases of permanent disability are not so frequent, as only 8.21 per cent resulted in permanent disability as against 17.12 per cent in the manufactures.

The number and per cent of accidents resulting in temporary disability, permanent disability, and death are shown in the table following:

## RESULTS OF ACCIDENTS IN MINES AND METALLURGICAL ESTABLISHMENTS, ACCORDING TO REPORTS OF MINE INSPECTORS, BY INDUSTRIES, 1905 AND 1906.

[Source: Ministerstvo Torgovli i Promyshlennosti. Gorny Departament. Statistika neschastnykh sluchaev s rabochimi, 1905, 1906.]

Industry.	Accidents resulting in—												Total accidents.
	Temporary disability lasting—						Permanent disability.				Death.		
	3 weeks.		3 to 13 weeks.		Over 13 weeks.		Partial.		Total.				
	Num- ber.	Per cent.	Num- ber.	Per cent.	Num- ber.	Per cent.	Num- ber.	Per cent.	Num- ber.	Per cent.	Num- ber.	Per cent.	
1905.													
Metallurgical establish- ments.....	22,742	77.41	4,941	16.82	345	1.17	1,210	4.12	16	0.05	116	0.39	29,377
Metalliferous mines.....	1,640	68.91	452	18.99	35	1.47	199	8.36	8	.34	46	1.93	2,380
Coal mines.....	22,248	69.03	6,331	19.64	549	1.70	2,717	8.43	25	.08	361	1.12	32,232
Gold mines.....	791	66.58	213	17.93	48	4.04	48	4.04	2	.17	50	4.21	1,188
All other and unclassi- fied (b) .....	2,510	65.13	583	15.13	40	1.04	619	16.06	5	.13	67	1.74	3,854
Total.....	49,931	72.33	12,520	18.14	1,077	1.47	4,793	6.94	56	.08	640	.93	69,031
1906.													
Metallurgical establish- ments.....	23,439	75.06	5,705	18.27	480	1.54	1,489	4.77	14	.05	95	.30	31,226
Metalliferous mines.....	2,288	72.80	568	18.07	52	1.65	183	5.82	10	.32	39	1.24	3,143
Coal mines.....	21,620	62.31	8,634	24.88	745	2.15	3,313	9.55	12	.03	339	.98	34,697
Gold mines.....	1,037	64.85	313	19.59	35	2.19	86	5.38	10	.62	66	4.13	1,599
All other and unclassi- fied (b) .....	2,341	44.66	1,060	20.22	103	1.96	1,158	22.09	8	.15	85	1.62	5,242
Total.....	50,725	66.83	16,280	21.45	1,404	1.85	6,229	8.21	54	.07	624	.82	75,907

a This total is not the correct sum of the items; the figures are given as shown in the original report.

b Data from the Caucasus mining district, including mainly oil wells, were not classified by branch of industry.

**CAUSES OF ACCIDENTS.**—The causation of accidents in mines and metallurgical establishments, as shown in the following tables for 1905 and 1906, is very much different from that in manufacturing establishments. Cave-ins, collapse of structures, and falling objects are responsible for over one-fourth of all the accidents reported, loading and unloading for nearly one-fifth, and transportation by rail for about one-eighth, so that these three classes alone claim from 55 to 60 per cent of the accidents. While in manufacturing establishments accidents due to machinery or dangerous substances represent nearly two-fifths of all accidents, in mines and metallurgical establishments these causes are comparatively unimportant, claiming in 1906 only 18.8 per cent. Hand implements in manufactories caused 15 per cent, and in mines and metallurgical establishments only 8.85 per cent of the total number of accidents. As accidents due to collapse of structures, falls, loading, and railroad transportation are likely to be more severe, this difference in causation carries with it a correspondingly greater gravity than injuries in manufacturing establishments. Especially is this true of the coal mines, where the three causes specified were responsible in 1906 for nearly three-fourths of all accidents.

CAUSES OF ACCIDENTS IN MINES AND METALLURGICAL ESTABLISHMENTS, ACCORDING TO REPORTS OF MINE INSPECTORS, 1905 AND 1906.

[Source: Ministerstvo Torgovli i Promyshlennosti. Gorny Departament. Statistika neschastnykh sluchaev s rabochimi, 1905, 1906.]

Cause of accident.	Accidents in—									Total.	
	Metallurgical establishments.		Metal mines.		Coal mines.		Gold mines.		All others and unclassified.		
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.		Number.	Per cent.
1905.											
Engines.....	251	0.85	2	0.08	37	0.11	7	0.59	100	397	0.57
Transmission apparatus	305	1.04	3	.13	203	.63	19	1.60	62	592	.86
Working machinery....	2,170	7.38	59	2.48	434	1.35	26	2.19	219	2,908	4.21
Lifts, elevators, etc.....	606	2.06	52	2.19	902	2.80	30	2.53	119	1,709	2.47
Steam boilers and steam fittings.....	254	.86	14	.59	193	.60	11	.93	51	523	.76
Explosives.....	15	.06	59	2.19	274	.85	39	3.28	34	421	.61
Injurious gases.....	173	.59	1	.04	63	.19	4	.34	5	246	.36
Poisonous and injurious substances.....	3,395	11.56	36	1.51	264	.82	6	.50	112	3,813	5.52
Cave-ins, collapse, and falling objects.....	2,941	10.01	676	28.40	13,019	40.40	322	27.10	431	17,389	25.19
Falls.....	1,409	4.80	196	8.24	1,112	3.45	95	8.00	202	3,014	4.37
Loading, unloading, and carrying.....	7,824	26.63	751	31.55	4,259	13.21	95	8.00	731	13,661	19.79
Transportation, rail-road.....	2,115	7.20	99	4.16	5,840	18.12	217	18.27	184	8,455	12.25
Transportation, water...	6	.02	.....	.....	32	.10	8	.67	.....	46	.07
Animals.....	51	.17	31	1.30	363	1.13	55	4.63	51	551	.08
Implements.....	2,929	9.97	247	10.38	2,383	7.39	134	11.28	550	6,243	9.04
All others.....	4,976	16.94	154	6.47	2,812	8.72	113	9.51	1,008	9,063	13.13
Total.....	29,377	100.00	2,380	100.00	32,232	100.00	1,188	100.00	3,854	69,031	100.00
1906.											
Engines.....	224	.72	2	.06	14	.04	30	1.88	139	409	.53
Transmission apparatus	240	.77	4	.12	265	.76	24	1.50	13	546	.71
Working machinery....	2,529	8.10	43	1.36	297	.86	25	1.56	437	3,331	4.38
Lifts, elevators, etc.....	492	1.57	47	1.49	791	2.28	30	1.88	131	1,491	1.96
Steam boilers and steam fittings.....	190	.61	18	.57	125	.36	5	.31	86	424	.58
Explosives.....	16	.05	64	2.03	152	.44	39	2.44	14	285	.37
Injurious gases.....	54	.17	6	.19	57	.16	5	.31	6	128	.16
Poisonous and injurious substances.....	3,529	11.30	25	.79	166	.48	14	.88	151	3,885	5.11
Cave-ins, collapse, and falling objects.....	3,892	12.46	946	30.09	13,933	40.16	445	27.83	469	19,685	25.93
Falls.....	1,804	5.78	303	9.64	1,260	3.63	144	9.01	331	3,842	5.06
Loading, unloading, and carrying.....	7,660	24.53	562	17.88	4,432	12.77	123	7.69	906	13,773	18.14
Transportation, rail-road.....	2,267	7.26	608	19.34	7,477	21.55	209	13.07	122	10,683	14.07
Transportation, water...	8	.02	.....	.....	14	.04	5	.31	1	28	.03
Animals.....	63	.20	28	.89	365	1.05	68	4.25	37	561	.73
Implements.....	3,213	10.29	291	9.25	2,359	6.80	225	14.07	637	6,725	8.85
All others.....	5,050	16.17	199	6.33	2,991	8.62	208	13.01	1,113	9,561	12.59
Total.....	31,226	100.00	3,143	100.00	34,697	100.00	1,599	100.00	5,242	75,907	100.00

\* This total is not the correct sum of the items; the figures are given as shown in the original report.

ACCIDENTS TO RAILWAY EMPLOYEES.

The reports of the Russian railways contain data of accident statistics for over 20 years, and they show a very low accident rate. Thus in 1906, according to these reports, there were 11,784 accidents, of which 814 were fatal, the number of employees being 825,315, which gives an accident rate of only 14.28 per 1,000 employees. It

seems certain that only the grave injuries are reported, as is shown by the fact that the fatal accidents constituted nearly 7 per cent of the total number of accidents reported. But another more accurate source gives a very much larger number of accidents. This is the series of annual reports of the medical service of the Russian railways, from which the following tables were compiled for 1902 to 1907. The number of accidents is over seven times as large as that reported by the railroad administrations, and the rate has rapidly increased from 55 per thousand in 1902 to 102 per thousand in 1907.

NUMBER OF ACCIDENTS TO EMPLOYEES IN RAILWAY SERVICE, 1902 TO 1907.

[Source: Ministerstvo Putei Soobshchenia. Upravlenie zheleznykh dorog. Otchiot o vrachebno-sanitarnom sostolanii zheleznykh dorog 1902-1907.]

Year.	Number of accidents.											
	In train service.				Outside of train service.				Total.			
	Light.	Severe.	Fatal.	Total.	Light.	Severe.	Fatal.	Total.	Light.	Severe.	Fatal.	Total.
1902....	5,218	1,036	367	6,621	26,729	1,029	120	27,948	32,017	2,065	487	34,569
1903....	8,054	1,209	479	9,742	31,747	1,176	109	33,022	39,791	2,385	588	42,764
1904....	9,646	2,050	449	12,145	37,403	1,429	123	38,955	47,049	3,479	572	51,100
1905....	8,437	1,643	525	10,605	44,020	1,826	275	46,121	52,457	3,469	800	56,726
1906....	15,603	1,846	662	18,111	56,067	1,763	177	58,007	71,670	3,609	839	76,118
1907....	15,301	1,967	682	17,950	62,554	2,133	210	64,897	77,855	4,100	892	82,847

NUMBER OF EMPLOYEES, NUMBER OF ACCIDENTS, AND ACCIDENT RATE PER 1,000 IN RAILWAY SERVICE, 1902 TO 1907.

[Source: Ministerstvo Putei Soobshchenia. Upravlenie zheleznykh dorog. Otchiot o vrachebno-sanitarnom sostolanii zheleznykh dorog 1902-1907.]

Year.	Employees.	Accidents.							
		Fatal.		Severe.		Light.		Total.	
		Number.	Per 1,000 employees.	Number.	Per 1,000 employees.	Number.	Per 1,000 employees.	Number.	Per 1,000 employees.
1902.....	628,021	487	0.77	2,065	3.29	32,017	50.98	34,569	55.04
1903.....	662,567	588	.88	2,385	3.60	39,791	60.06	42,764	64.54
1904.....	709,531	572	.81	3,479	4.90	47,049	66.31	51,100	72.02
1905.....	726,825	800	1.10	3,469	4.77	52,457	72.17	56,726	78.04
1906.....	763,425	839	1.10	3,609	4.73	71,670	93.88	76,118	99.71
1907.....	808,444	892	1.10	4,100	5.07	77,855	96.30	82,847	102.47

**TOTAL NUMBER OF ACCIDENTS.**—It is possible to combine the statistical data for manufacturing industry, mining and metallurgical industry, and railroads, and to obtain approximately the total number of industrial accidents in Russia, not including agriculture or commercial establishments. In the following table this has been done for 1906. The accidents included comprise those recorded by the factory inspectors, mine inspectors, and the railroad service. The statement is not altogether complete, for many smaller establishments and many government manufacturing establishments, not

subject to factory inspection, are omitted. But as far as the data go they show 1,834 fatal and 210,333 nonfatal accidents, giving a total of 212,167 accidents for 2,927,965 employees, or a rate of 72.46 per thousand.

**TOTAL NUMBER OF EMPLOYEES AND OF RECORDED ACCIDENTS AND ACCIDENT RATE PER 1,000, 1906.**

[Compiled from preceding tables.]

Industry.	Employees.	Accidents.					
		Fatal.		Nonfatal.		Total.	
		Number.	Per 1,000 employees.	Number.	Per 1,000 employees.	Number.	Per 1,000 employees.
Manufactures.....	1,658,985	371	0.22	59,771	36.03	60,142	36.25
Mines and metallurgical establishments.....	505,555	624	1.23	75,283	148.91	75,907	150.15
Railroads.....	763,425	839	1.10	75,279	98.61	76,118	99.71
Total.....	2,927,965	1,834	.63	210,333	71.83	212,167	72.46

**SICKNESS INSURANCE.**

The field of "sickness insurance," which includes all forms of provision for workmen in case of sickness, may be divided into (1) medical care of the diseased, and (2) financial assistance to him and those dependent upon him for support during the time of inability to work, resulting from such sickness. Whenever such sickness follows an industrial accident the various compensation acts, described in the preceding sections, meet this condition by requiring the employer to furnish both the cost of medical help and the allowances to the injured and his family. As far as sick benefits are concerned, the law requiring that fines collected in establishments shall be used for that purpose is the only general legislation on the subject. In addition, some provision for the sick may be found in isolated branches of industry: In government mining, and in metallurgical, and a few other industrial establishments. Establishment sick benefit associations are found mainly in the mining industry of the western Provinces, such as Poland and the Baltic region; and industrial sick benefit associations are found in the larger industrial centers. Information in regard to these private local funds is very meager.

The need of a better system of provision for the sick is strongly felt in Russia, and a system of obligatory sick insurance through establishment benefit associations forms a part of the general plan of compulsory workmen's insurance, discussed both in the governmental schemes and by society at large since 1905. A bill to that effect has been introduced into the Third Duma in conjunction with the bill for a new accident-insurance law.

## MEDICAL AID.

## HISTORY.

To understand the development of Russian legislation in regard to medical assistance to workmen employed in factories it is necessary to point out that, in theory, medical aid is considered a proper governmental function, to be supplied in cities by the municipal government, and in the rural districts by the so-called "zemstvos"—organs of local self-government. In provinces where zemstvos have not been organized the duty of furnishing medical aid to the rural population devolves upon the governmental authorities. In practice only a very few municipalities have met this duty, and in those provinces which have as yet no zemstvos the organization of medical aid is purely formal and perfunctory. On the other hand, the zemstvos have, since their organization in the early sixties, always looked upon the organization of medical aid as one of their most important functions. The combined budgets of these zemstvos amount to many millions of dollars, and about one-fourth of the total expenditures is being devoted to medical aid in rural communities. There are many free hospitals and dispensaries in each county (*uyezd*) where a zemstvo exists, and the Russian peasant may be said to be fairly well provided with free medical assistance.

**LAW OF 1866.**—The law which imposed upon the factory owners the duty of furnishing medical aid to their factory employees dates from the year 1866. It owes its origin to the beginning of an epidemic of Asiatic cholera in Moscow. The governor of Moscow, considering the large factories with their insanitary conditions and large number of workers a possible means of spreading the cholera epidemic, in a report to the minister of interior suggested that the owners of large factories be required to establish hospitals and employ physicians in connection with their industrial establishments. As a result of this suggestion a decision of the committee of ministers was approved by the Emperor August 26 (Sept. 7), 1866, ordering as a temporary measure that "there be established in connection with each factory employing 1,000 workers a hospital with ten beds, and at each factory employing more than 1,000 workers 15 beds or more, and at each factory employing less than 1,000 workers 5 beds or more, at the rate of one for each 100 workers." Though the order was declared to be a temporary measure no time limit was mentioned, and the law is still in force.

The indefinite language of this law and the absence of any punitive measures for noncompliance with its demands or any organ of inspection and control, except the police authorities, left the entire problem in a very unsatisfactory condition. The language of the order showed that the intention existed at that time to follow it up with a systematic



law regulating the question of medical aid to factory employees, for the minister of interior was ordered to present a plan for such legislation to the Imperial Council. In 1867, and again in 1874 in connection with a proposal of a law for regulation of conditions of employment, these legislative propositions were discussed, but without success, as the Imperial Council judged the law of 1866 to be sufficient and refused to go any further in this matter. The effect of this law was far from uniform; its execution depended mainly upon the zeal and energy of the provincial governors. In some factories good hospitals were established; in others the beds were left without medical attendance, and in a great many localities the law was entirely disregarded. In many factories the costs of these medical establishments were charged to the workmen.

**LAW OF 1886.**—This latter abuse was checked by the law of June 3 (15), 1886, regulating the conditions of employment and the relations between employers and employees, which among other things prohibited the deducting of the cost of medical aid from the wages of the workmen (Code, Vol. XI, 2, Industrial Code, sec. 102). On the other hand, it established serious limitations to the extent of medical aid to the workmen required of the employers, by laying down the rules that the employer could discharge any workman at two weeks' notice and immediately in case of a contagious disease. Evidently a dismissed employee had no claim to medical aid from the employer after the termination of the employment.

The law of June 3 (15), 1886, established municipal factory commissions for St. Petersburg, Moscow, Odessa, and Warsaw, and provincial commissions for the separate Provinces, and these commissions were intrusted among other things with the administrative regulations of the problem of medical aid to factory employees.

**EXTENSION OF THE LAW TO MINING AND METALLURGY.**—By a decree of March 9 (21), 1892, the provisions of the law of 1886 were extended to apply to the mining and metallurgical industries and were embodied in the Mining Code. Local mining commissions were established with functions parallel to those of the factory commissions, including the regulation of medical assistance to the employees. A law requiring proprietors of mining and metallurgical establishments to establish hospital facilities for treatment of sick employees had been on the Russian statute books for sixty years before similar provisions were made for factory industries, namely, in the general mining law of July 13 (25), 1806, for the mining industry was developed much earlier than manufactures. The greater danger to health and life from work in the mines was evident, and many of these establishments were owned from the beginning of Russian industry by the State or Crown, which was more inclined to take care of its employees.

According to this law, both the State and private mining and metallurgical establishments employing 200 persons or more were required to have a hospital and one or more resident physicians; but in the case of privately owned mines the law remained a dead letter until 1892. Finally both the local factory commissions and the local mining commissions were united into factory and mining commissions by the act of June 7 (19), 1899, which also established a central factory and mining commission and put it in control of the local commissions, for the purpose of unifying this work. The central commission is required to formulate general principles for the administration of the law of 1866, but the actual administration is still in the hands of the local commissions and exercised through the factory and mine inspectors. Provincial commissions were established in 64 provinces; in 35 of these such regulations were established, and in the remaining 29, mostly nonindustrial provinces, practically nothing was added to the ambiguous language of the law of 1866.

While the establishment of factory hospitals was mandatory according to the exact language of the law of 1866, it was nevertheless evident that for small industrial establishments with 100 or even less employees the organization of such a private hospital would either be a great hardship, possibly not demanded in view of the existence of good hospitals in the immediate vicinity, or would become a pure formality without any substantial benefit to the employees. Nor was it clear whether the law applied to factories with less than 100 workmen, whether 5 beds was the minimum number for a factory hospital, and what the requirements were in regard to medical attendance. In answer to inquiries from the Moscow provincial factory commission it was explained in 1887 that conditions had changed considerably during the preceding two decades, and that the growth of the activity of zemstvos and municipalities in supplying hospital facilities has made the organization of special factory hospitals unnecessary in many cases, and that as a substitute for the required hospitals factory owners may in certain cases be required to enter into agreements with zemstvos and other bodies for the supply of hospital and other medical facilities to their employees.

#### REGULATIONS OF MOSCOW.

As an example of the regulations established by the provincial factory commissions, those in force since February 1 (13) 1897, in the province of Moscow, outside of the city of Moscow, may be briefly mentioned. Factories employing 500 or more workmen are required to have a factory hospital with one bed for each 100 workmen, a resident physician and a "feldsher" (a medical assistant of a somewhat higher grade than a trained nurse). When the number

of workmen exceeds 3,000 two physicians must be employed, one of whom shall reside at the factory. Factories employing from 17 to 500 workmen may be freed from this obligation if they make arrangements with the zemstvo hospital or any other hospital, or several factories may combine for establishing a common hospital. In exceptional cases such arrangement may be permitted to factories having more than 500 workmen. When the factory hospital has less than 5 beds the physician need not reside at the factory, but must live not more than 7 versts (4.7 miles) from it, and must visit it at least three times a week, while the hospital must have a resident "feldsher." When the factory has no hospital of its own, and the distance to the hospital with which such arrangements have been made is more than 3 versts (2 miles), the factory must have an emergency room with all necessary appliances for first aid to sick or injured, and, if the number of workmen exceeds 200, also a "feldsher." Artisans' shops employing no more than 16 workmen are not subject to any of these requirements. In factories employing more than 500 workmen the hospital is required to consist of three divisions—a general ward, a contagious ward with facilities for isolation when necessary, and a dispensary for outside patients. Where both men and women are employed there must be separate rooms for each sex in both the general ward and the contagious ward. The rooms must contain a minimum air capacity of 3 cubic sazhen (1,029 cubic feet) per each bed; there must also be warm privies. In factories employing from 200 to 500 workmen the hospital must contain at least four rooms—two wards, an examination room, and a waiting room for outside patients. In factories employing less than 200 workmen at least two rooms are required, one for the beds and one for the outdoor patients. Where 200 or more women are employed, a special maternity room must be provided and also the services of a resident trained midwife; where less than 200 women are employed, such room and the services of a midwife must be furnished by the employer when necessary. Information must be furnished the factory commission in regard to the exact measures taken for compliance with these regulations.

#### REGULATIONS OF OTHER LOCALITIES.

The above regulations of the Moscow commission have been quoted as a type. Considerable variations of greater or less importance are found in other districts. Quite uniformly establishments with no more than 16 workmen are excepted, while the regulations quoted require that hospital facilities, either in factory hospitals or other hospitals by arrangement, shall be furnished by all factories above that size; others except factories with less than 100 and in some cases

less than 50 workmen, requiring for these smaller factories only dispensary treatment or treatment at the homes of the employees. In some districts all factories, no matter how large, are permitted to substitute arrangements with zemstvo or other hospitals for establishment of factory hospitals; such permissions are more readily granted in cities than in rural districts. About one-half of the commissions, while waiving the demands for factory hospitals altogether or permitting joint factory hospitals or arrangements with other hospitals, nevertheless require emergency wards, under certain varying conditions, such as distance to the nearest hospital or physician, number of employees, or presence of dangerous machinery. Only three commissions, those of St. Petersburg, Moscow, and Warsaw Provinces, require maternity wards in factories employing considerable numbers of workers. A few commissions have established a maximum time limit of three months for this free medical help.

In contradistinction to the requirements of the law of 1866 special municipal taxes for the purpose of supporting hospitals for wage-workers have been established in 16 cities, most of which are important industrial centers.

## SPECIAL TAX ON WORKMEN FOR SUPPORT OF HOSPITALS.

City.	Year established.	Amount of tax.	City.	Year established.	Amount of tax.
St. Petersburg.....	1842	\$0.52	Nikolaiev.....	1894	\$0.52
Ivanovo-Voznesensk.....	1860	.39	Warsaw.....	1894	.52
Kharkof.....	1869	.26	Astrakhan.....	1896	.52
Kronstadt.....	1881	1.03	Nakhichevan.....	1896	.52
Moscow.....	1890	.64	Batoom.....	1898	.52
Vladivostok.....	1892	1.03	Akerman.....	1899	.31
Odessa.....	1892	.31	Khabarovsk.....	1899	(a)
Rostov.....	1893	.52	Blagovechensk.....	1899	(a)

a For males \$1.03, for females \$0.52.

The tax in St. Petersburg and Ivanovo-Vosnesensk had been introduced before the law of 1863 was promulgated. In the other cities the special tax for hospital purposes was introduced, although it evidently imposed a duty upon the workmen, which according to the law of 1866 devolved upon the employers. The tax in St. Petersburg differs from that in all other cities enumerated in that it applies to domestic servants, construction workers, unskilled laborers (so-called "black" laborers in Russia), drivers, in short, to practically all wage-earners except factory workers, and so it does not come in conflict with the legislation in regard to factory hospitals. In the other cities all wage-earners are included, and in some cases other groups of persons of approximately the same economic status, such as peddlers, teamsters, etc. The law establishing the tax in Ivanovo-Vosnesensk permits the employer to pay the tax for his employees,

but does not require him to do it. In view of the law of 1866 charging the factory owner with the cost of medical aid to the employees, and the provisions of the law of 1886 prohibiting the factory owners from charging their employees for hospital service, the natural question arose, whether this tax should not be paid by the factory owners; but in response to an inquiry from the Warsaw municipal factory commission, the Ministry of Finance decided that such prohibition of the law of 1886 (Industrial Code, sec. 102), was directed only against factory owners and not against municipalities, and that the hospital tax must be paid by the persons taxed.

In return for this tax the wage-earners obtained the right of free medical treatment in hospitals, not only for themselves but for their minor children.

The obligations of the factory owners have been considerably modified by this hospital tax in the cities affected. The St. Petersburg municipal factory commission waives the demand for factory hospitals in view of the sufficient number of municipal hospitals, though, as was stated above, in that city the factory employees do not pay the hospital tax and have no right of free medical treatment. Instead, the factory owners are required to meet the cost of treatment of their employees in the hospitals. In addition the factories are required to provide for a dispensary for treatment of outside patients by a physician, and also for an emergency ward for first aid. The factory physician must visit the factory at stated intervals, the frequency of which depends upon the size of the factory, from a weekly visit, where the number of workers is 50 to 100, to daily visits to factories employing over 1,000 persons, in addition to which the factory physician must treat the patients at his house, or if necessary at their houses.

#### MEDICAL AID IN MANUFACTURING INDUSTRIES.

For the study of the practical results of this legislation two reports are available which indicate the developments within the last decade. The first investigation was undertaken by the Department of Commerce and Manufactures of the Ministry of Finance in 1897, and the results were published in 1899. The investigation is based upon data obtained by the corps of factory inspectors in 1898 and covering the calendar year of 1897. The investigation was repeated in 1908 for 1907 by the Department of Industry of the Ministry of Commerce and Industry through the factory inspection system, and while the report of this investigation has not yet been published, the main data were printed in one of the official publications of the Russian Government.



NUMBER AND PER CENT OF ESTABLISHMENTS AND OF WORKMEN EMPLOYED, AND EXPENDITURES, IN FACTORIES SUBJECT TO INSPECTION PROVIDING MEDICAL AID, BY FORM OF AID, 1897 AND 1907.

[Source: Ministerstvo Finansov, Departament Torgovli i Manufaktur, Vrachebnaya Pomoshch fabrichnym rabochim, 1899. Vliestnik Finansov, 1910, No. 5.]

Form of aid.	Establishments.				Workmen employed.				Expenditures.			
	1897.		1907.		1897.		1907.		1897.		1907.	
	Num- ber.	Per cent.	Num- ber.	Per cent.	Number.	Per cent.	Number.	Per cent.	Total.	Aver- age per em- ploy- ee.	Total.	Aver- age per em- ploy- ee.
Hospital.....	710	2.7	964	6.8	514,615	35.4	798,279	43.9	\$1,211,111	\$2.35	\$2,858,568	\$3.58
Emergency wards	449	2.3	327	2.3	173,134	11.9	123,093	6.8	308,294	1.78	332,466	2.70
Dispensaries.....	1,464	7.6	2,932	20.6	223,797	15.4	461,551	25.4	376,823	1.68	1,360,025	2.95
Agreements with zemstvos.....	215	1.1	295	2.1	30,980	2.1	43,950	2.4	37,974	1.23	73,631	1.68
Agreements with municipalities..	13	.1	37	.3	7,964	.6	6,458	.4	24,706	3.10	10,320	1.60
Agreements with Red Cross.....	57	.3	87	.6	17,656	1.2	29,852	1.6	32,134	1.82	113,657	3.81
Agreements with other hospitals.	33	.2	122	.8	8,511	.6	21,651	1.2	14,661	1.72	54,089	2.50
Independent, unsatisfactory facilities.....	547	2.8	675	4.7	40,652	2.8	43,766	2.4	42,966	1.06	71,296	1.63
Total.....	3,488	18.1	5,439	38.2	1,017,309	70.0	1,528,600	84.1	2,048,669	2.01	4,874,062	3.19
No provision.....	15,804	81.9	8,806	61.8	436,616	30.0	290,029	15.9	.....	.....	.....	.....
Grand total.	19,292	100.0	14,247	100.0	1,453,925	100.0	1,818,629	100.0	.....	.....	.....	.....

NUMBER OF PERSONS PROVIDED FOR.—Altogether 19,292 manufacturing establishments with 1,453,925 workers were subject to factory inspection in 1897. Of these 3,488 establishments, or 18.1 per cent, had some systematic provision for rendering medical aid to its employees, but these few establishments employed 1,017,309 workers, or 70 per cent of the total.

Ten years later (1907), 14,247 manufacturing establishments, with 1,818,629 workers, were subject to factory inspection; of these, 5,439 establishments, or 38.2 per cent, providesome form of medical assistance, and these establishments employed 1,528,600 persons, or 84.1 per cent of the total. Thus, during the ten years a considerable extension of medical facilities took place. While the increase of the proportion of establishments furnishing medical aid from 18.1 per cent to 38.2 per cent is partly due to the fact that a large number of small establishments have during the decade been exempted from factory inspection, yet the actual increase from 3,488 to 5,439 establishments is 55.9 per cent, and the number of workers furnished some form of medical assistance has increased from 1,017,309 to 1,528,600, or 50.3 per cent.

The facilities for medical aid were best in large establishments, as is shown by the fact that less than two-fifths of the establishments



were giving medical assistance and the number of workmen provided for exceeded four-fifths. The close dependence of the size of the factory upon the medical facilities is shown in the following table:

NUMBER AND PER CENT OF FACTORIES SUBJECT TO INSPECTION GRANTING MEDICAL AID AND NUMBER AND PER CENT OF WORKMEN PROVIDED FOR, BY NUMBER OF EMPLOYEES IN FACTORIES, 1897 AND 1907.

[Source: Ministerstvo Finansov Departament Torgovli i manufaktur. Vrachebnaya pomoshch fabrichnym rabochim, 1899. Vlastnik Finansov, 1905, No. 5, 1910, No. 5.]

Number of employees.	Factories.						Workmen.					
	1897.			1907.			1897.			1907.		
	Total.	Providing medical aid.		Total.	Providing medical aid.		Total.	Provided with medical aid.		Total.	Provided with medical aid.	
		Num-ber.	Per cent.		Num-ber.	Per cent.		Num-ber.	Per cent.		Num-ber.	Per cent.
15 and under....	8,778	155	1.77	3,799	326	8.58	63,865	1,787	2.78	36,601	3,502	9.57
16 to 50.....	6,195	838	13.53	5,698	1,507	26.45	176,600	28,119	15.91	167,416	40,727	24.32
51 to 100.....	1,961	718	36.59	1,999	1,144	57.23	143,024	54,159	37.84	144,492	85,976	59.50
101 to 500.....	1,812	1,283	70.80	2,023	1,764	87.20	414,079	320,475	77.38	472,901	423,925	89.64
501 to 1,000.....	352	309	87.77	429	415	96.74	242,185	211,933	87.53	306,039	295,839	96.66
Over 1,000.....	194	185	95.34	299	283	94.65	414,172	400,836	96.76	691,180	669,631	96.88
Total....	19,292	3,488	18.06	14,247	5,439	38.18	1,453,925	1,017,309	69.97	1,818,630	1,528,610	84.05

Thus, of the small factories with fifteen workmen or less only 8.58 per cent in 1907 furnished medical aid, while of the factories with over 500 employees over 95 per cent had some medical facilities.

In these large factories provisions were usually satisfactory even at the time of the earlier investigation in 1897. The development of the last ten years manifested itself largely in the middle-sized factories employing from 16 to 100 workmen, as the number of such factories giving medical aid increased from 1,556 in 1897 to 2,651 in 1907.

Altogether, over 30 per cent of the workmen were left without any medical assistance in 1897 and 16 per cent in 1907, although it is prescribed by the law for all factories. This may be partly explained by the small size of some establishments. Thus out of 8,808 establishments providing no medical assistance at all in 1907, 8,519, or 96.7 per cent, employed 100 workmen or less, 7,664, or 87 per cent, 50 workmen or less. Of all the 290,029 workmen deprived of medical assistance, 209,304, or 72.7 per cent, worked in factories employing 100 persons or less, 150,798, or 52 per cent, in factories employing 50 persons or less. Nevertheless, this is not the only explanation, for of the factories employing over 100 persons each, 289, with 70,728 wage-workers, were not providing any assistance. The proportion of workers receiving some assistance varied considerably in different provinces. At the time of the first investigation (1898) 60 provinces had an organized system of factory inspection, but only 18 had issued

regulations in regard to medical aid. Only 10 provinces had such regulations before 1896, and in these 10 provinces the organization of medical aid was very much superior to the rest of the country. At present 35 provinces have such regulations (<sup>a</sup>) and the general situation has accordingly improved considerably.

**METHOD OF PROVIDING MEDICAL AID.**—The methods of providing medical aid, and consequently its quality, were subject to great variations. The tables enumerate the main classes.

These were the separate factory hospital, either for one factory or supported by several factories; factory emergency wards, either separately or cooperatively supported; factory dispensaries; and arrangements with other public and private agencies. The comparative value of the separate medical institutions declines in the order named. Only hospitals provide full medical aid and care, emergency wards doing very little hospital treatment, and dispensaries treating exclusively ambulatory cases; i. e., cases of slight illness, usually not accompanied with disability. Arrangements with zemstvos and with other hospitals were often satisfactory.

In addition, 675 factories, mostly of the smaller class, with 43,766 workmen, provided some form of medical aid in 1907 by employing a physician or a nurse, but this aid was of such unsatisfactory nature that in the official reports this service is described as almost worthless.

Taking the establishment as a basis, the most frequent method of rendering this medical aid was by dispensaries, which in 1897 existed in 42 per cent of all establishments furnishing medical aid and in 1907 in 54 per cent; next followed factory hospitals and emergency wards. But as far as the number of workmen provided for is concerned, the factory hospital is the most important institution, as over one-half of the workmen had factory hospital facilities at their disposal.

Independent hospitals, emergency wards, and dispensaries made the largest gains within the decade which elapsed between the two investigations, the number of workmen thus protected increasing from 910,546 to 1,382,923. Agreements with zemstvos, municipalities, red cross societies, or other hospitals for treatment of the factory workers, while permitted, are few and do not show any tendency to increase.

The quality of the medical assistance declines with the size of the factory establishments. In the larger factories the hospital predominates. Of the factories with 1,000 employees or over, 69.23 per cent have separate hospitals; of those with 501 to 1,000 employees, 49.88 per cent have hospitals; and so on in a rapidly declining scale. The greatest proportion of emergency wards was found in the factories with 501 to 1,000 workmen, 12.59 per cent, though they were also

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<sup>a</sup> Mikulin, *Fabrichnaia inspektzia v Rossii*, p. 171.



NUMBER AND PER CENT OF EMPLOYEES IN FACTORIES SUBJECT TO INSPECTION PROVIDED WITH MEDICAL AID, BY FORM OF AID AND SIZE OF ESTABLISHMENT, 1907.

[Source: Vlastnik Finansov, 1910, No. 5.]

NUMBER.

Form of aid.	Employees in factories employing—						Total employ-ees.
	15 per-sons and under.	16 to 50 persons.	51 to 100 persons.	101 to 500 persons.	501 to 1,000 persons.	Over 1,000 persons.	
Hospitals.....	251	4,393	7,418	94,114	153,127	538,976	798,279
Emergency wards.....	22	1,259	4,057	50,942	42,727	24,086	123,083
Dispensaries.....	1,976	29,314	53,014	213,961	80,200	83,086	461,551
Agreements with zemstvos.....	374	2,771	4,681	20,203	8,726	7,195	43,950
Agreements with municipalities.....	28	366	753	1,739	522	3,050	6,458
Agreements with Red Cross.....	9	245	1,011	15,255	5,779	7,553	29,852
Agreements with other hospitals.....	24	1,392	1,932	8,915	4,758	4,630	21,651
Independent, unsatisfactory facilities....	818	9,987	13,110	18,796	.....	1,055	43,776
Total.....	3,502	49,727	85,976	423,925	295,839	669,631	1,528,610
No provision.....	33,099	117,689	38,516	48,976	10,200	21,549	290,029
Grand total.....	36,601	167,416	144,492	472,901	306,039	691,180	1,818,639

PER CENT.

Hospitals.....	0.69	2.62	5.13	19.90	50.03	77.98	43.89
Emergency wards.....	.06	.75	2.81	10.77	13.96	3.49	6.77
Dispensaries.....	5.40	17.51	36.69	45.24	26.21	12.02	25.38
Agreements with zemstvos, etc.....	1.19	2.86	5.80	9.76	6.46	3.24	5.60
Independent, unsatisfactory facilities....	2.23	5.96	9.07	3.97	.....	.15	2.41
Total.....	9.57	29.70	59.50	89.64	96.66	96.88	84.05
No provision.....	90.43	70.30	40.50	10.36	3.34	3.12	15.95
Grand total.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00

COST OF MEDICAL AID.—In the official reports from which these data are taken, the cost of medical assistance is also given. The cost is quite considerable and is increasing. It increased from \$2,048,069 in 1897 to \$4,874,052 in 1907, or more than doubled in ten years, the per capita cost increasing from \$2.01 to \$3.19. This per capita cost is fairly uniform for establishments of different size, but this uniformity is brought about by the smaller establishments substituting less satisfactory and consequently cheaper forms of medical assistance, namely, emergency wards and dispensaries for hospitals. The difference in the per capita cost for different forms of medical assistance is much greater. Arrangements with Red Cross hospitals showed an average cost of \$3.81 per capita, in factory hospitals the average cost was \$3.58, in emergency wards \$2.70, and in dispensaries \$2.95, while arrangements with zemstvos and municipalities were cheaper.

The total and per capita cost of medical aid to the factories subject to inspection are shown by form of aid and by size of establishment in the table following:

**TOTAL AND PER CAPITA COST OF PROVIDING MEDICAL AID TO EMPLOYEES OF FACTORIES SUBJECT TO INSPECTION, BY FORM OF AID AND SIZE OF ESTABLISHMENT, 1907.**

[Source: Vlastnik Finansov, 1910, No. 5.]

**TOTAL COST.**

Form of aid.	Cost in factories employing—						Total.
	15 persons and under.	16 to 50 persons.	51 to 100 persons.	101 to 500 persons.	501 to 1,000 persons.	Over 1,000 persons.	
Hospitals.....	\$658	\$13,692	\$39,106	\$408,818	\$537,702	\$1,858,592	\$2,858,568
Emergency wards.....	77	5,159	19,612	158,184	94,818	54,616	332,466
Dispensaries.....	7,543	103,942	160,896	600,990	216,490	270,164	1,360,025
Agreements with zemstvos.....	446	4,255	8,984	32,842	15,372	11,732	73,631
Agreements with municipalities.....	71	397	702	4,014	1,185	3,951	10,320
Agreements with Red Cross.....	164	607	3,112	56,964	23,255	29,555	113,657
Agreements with other hospitals.....	154	5,506	4,695	23,189	11,789	8,756	54,069
Independent, unsatisfactory facilities.....	2,943	24,123	21,066	22,492	.....	672	71,296
<b>Total.....</b>	<b>12,056</b>	<b>157,681</b>	<b>258,173</b>	<b>1,307,493</b>	<b>900,611</b>	<b>2,238,038</b>	<b>4,874,052</b>

**PER CAPITA COST.**

Hospitals.....	\$2.62	\$3.12	\$5.27	\$4.34	\$3.51	\$3.45	\$3.58
Emergency wards.....	3.50	4.10	4.83	3.11	2.22	2.27	2.70
Dispensaries.....	3.82	3.55	3.03	2.81	2.70	3.25	2.95
Agreements with zemstvos.....	1.19	1.54	1.92	1.63	1.76	1.63	1.68
Agreements with municipalities.....	2.54	1.08	.93	2.31	2.27	1.30	1.60
Agreements with Red Cross.....	18.22	2.48	3.08	3.73	4.02	3.91	3.81
Agreements with other hospitals.....	6.42	3.96	2.43	2.60	2.48	1.89	2.50
Independent, unsatisfactory facilities.....	3.60	2.42	1.61	1.20	.....	.64	1.63
<b>Average.....</b>	<b>3.44</b>	<b>3.17</b>	<b>3.00</b>	<b>3.08</b>	<b>3.04</b>	<b>3.34</b>	<b>3.19</b>

**MEDICAL AID IN MINING AND METALLURGICAL INDUSTRIES.**

The situation is somewhat more favorable in the mining and the metallurgical industries, both as regards legislation and the actual practice. Originally the Government controlled a large share of these industries and it took better care of its employees. On the other hand, the isolated position of the mining and metallurgical establishments, together with the greater frequency of accidents and diseases, makes the necessity of systematic medical aid more pressing. By the Mining Code of 1806 each government mining or metallurgical establishment with over 200 workers was required to have a hospital and a physician, and another article of the same code required private establishments to comply with the same requirements as regards medical assistance. The temporary law of 1866 did not apply specifically to mining and metallurgy, but the law of June 3, 1886, conferred upon the factory commissions, among other functions, the right to issue regulations concerning the care of the health and life of the workmen, and by the extension of this law to

the mining and metallurgical establishments on March 9, 1892, the same rights were given to the mining commissions established in the principal mining regions. In conformance with this law, the mining commissions passed regulations concerning the organizations of medical aid on the following dates:

(1) The central mining commission (the northern, northwestern, Volga, and Moscow mining territories) on April 9, 1893.

(2) The Ural mining commission on July 31, 1896, and amended August 9, 1897.

(3) The western mining commission on April 6, 1896.

(4) The south Russia mining commission on May 18, 1893.

(5) Southeastern mining commission on November 18, 1898.

(6) Caucasus mining commission on March 12, 1897, amended July 17, 1897.

(7) Western Siberia mining commission on December 15, 1900.

(8) Eastern Siberia mining commission on May 3, 1899.

While the special mining commissions in European Russia were abolished by the law of June 7, 1899, the regulations remained in force.

There are considerable differences between the regulations of different mining commissions, but those adopted by the Ural commission may be taken as a type; both because the Ural mining territory claims nearly 150,000 out of a total of 480,000 persons employed in mining, or nearly one-third, and also because the regulations of the central commission, with 30,000 employees under its jurisdiction, of the western commission, with 42,000 employees, and of the Caucasus commission, with 43,000, are very similar to those of the Ural commission. Thus these rules apply to about 265,000 workers, or over 55 per cent of those employed in mining.

These regulations of the Ural commission are as follows: All private mining and metallurgical establishments are required to furnish medical aid to their employees free of charge according to the following conditions: Establishments employing less than 100 workers and located within the distance of 15 to 25 versts (10 to 17 miles) from a hospital may furnish only an emergency room without permanent beds. The establishment employing from 100 to 400 workers must have a permanent hospital ward with not less than one bed for each 100 workers, and a permanent "feldsher" (medical assistant), and must call a physician whenever necessary. Establishments employing over 400 workers must have a hospital with a private pharmacy, not less than one bed for each 100 workers employed, a permanent physician, and the necessary number of "feldshers." While no such hospital facilities are required of the smaller establishments, they must make arrangements with hospitals in the vicinity for such sick employees as require hospital treatment. Owners of establishments



located near each other may enter into agreements for the establishment of common hospitals.

Each mining and metallurgical establishment must be provided with the necessary medical and surgical appliances for giving first aid to persons injured or suddenly taken ill, and also with conveyances for transportation of such patients to the nearest hospitals. In addition the very large establishments, employing over 1,000 persons, must organize a permanent emergency service for first aid to the injured and sick.

New hospital buildings must be erected with due regard to the demands of hygiene. They must be located in a dry place at some distance from dwellings and such shop buildings as would unfavorably influence the course of treatment, and be provided with good drinking water. The hospitals must be well lighted, ventilated, and heated. The wards must contain at least 5 cubic sazhen (1,715 cubic feet) of air space, 1 square sazhen (49 square feet) of floor space, and one-sixth square sazhen (over 8 square feet) of window space, per bed. The ceiling must be at least 14 feet high. Each hospital must be provided with a reception ward, a bathroom, an operating room, a morgue, rooms for the "feldshers" and servants, a kitchen, a laundry, a bath house, and similar accessories. The dispensary must be separate from the hospital wards. All toilet rooms must be heated, have proper ventilation, and be in the same building with the hospital. Every hospital must be provided with a special room for contagious diseases, permitting perfect isolation when necessary. This contagious ward must have its own bathroom and toilet facilities. There must also be a special room for preparation and distribution of drugs, and a room for disinfection of clothing and dressings.

STATISTICS FOR 1904.—A special investigation of the conditions obtaining under these regulations was made through the mining inspectors in 1904. The main results of this investigation are shown in the following summary statement, where data for European and Asiatic Russia are shown separately:

**SUMMARY OF MEDICAL AID IN THE MINING AND METALLURGICAL ESTABLISHMENTS, 1904.**

[Source: Tigranov, G. Th, i Gussiatnikov. Vrachebnaya pomoshch rabochim na gornykh zavordakh, 1907.]

Item.	European Russia.	Asiatic Russia.	Total.
Number of establishments.....	3,833	650	4,483
Number of employees.....	426,334	54,744	481,078
Number of hospitals.....	213	126	339
Number of beds in hospitals.....	4,244	1,025	5,269
Emergency rooms and dispensaries.....	355	170	525
Beds in emergency rooms and dispensaries.....	314	322	636
Total number of beds.....	4,558	1,347	5,905
Cost of building hospitals, etc.....	\$2,823,731	\$212,472	\$3,036,203
Cost of building per bed.....	\$620	\$158	\$514
Annual cost of medical aid.....	\$1,476,132	\$220,248	\$1,706,480
Cost of medical aid per employee.....	\$3.46	\$4.19	\$3.54
Number of workmen per bed.....	94	41	81

The investigation disclosed 339 hospitals with 525 hospital wards and 5,905 beds, built at the cost of \$3,036,203, or \$514 per bed. This was an average of one hospital bed for 81 employees, which shows compliance with the requirements of the regulations. The total cost of medical aid was \$1,705,480, while the average cost per employee was \$3.54, or 10 per cent more than in the factories.

The detail statistics of this report for 1904 were prepared in harmony with the investigations of the factories for 1897 and 1907, thus permitting many comparisons. The tables show the organization of medical aid, by size of establishments, both for the number of establishments and employees. The detailed data quoted refer only to European Russia, including the entire Caucasus; but are exclusive of Asiatic Russia, for which the information is too fragmentary for detailed analysis.

Combinations for the establishment of hospitals are more popular in the mining industry than in the factories, 1,011 establishments, or over one-fourth, furnishing medical aid in that way. Next in popularity are agreements with the zemstvos, while independent hospitals are much less frequent.

Altogether less than three-fifths of the establishments were furnishing organized medical aid, nearly three-tenths providing their own hospital facilities, nearly two-tenths having agreements with various hospitals, and less than one-tenth having various substitutes for hospital treatment. The establishments making no systematic arrangement for medical aid almost all belonged to the small type, 1,417 of the 1,568 employing 15 workers or less and 143 from 16 to 100 workers. One establishment with 1,623 employees is reported as having no systematic medical aid, but in reality this comprises all the small gold-mining enterprises of a district where the actual number of establishments was not ascertained. As would be expected from the regulations, the separate hospitals are most frequent among the large establishments, and emergency wards and cooperative hospitals among the small establishments.

**NUMBER AND PER CENT OF MINING AND METALLURGICAL ESTABLISHMENTS PROVIDING MEDICAL AID, BY FORM OF AID AND SIZE OF ESTABLISHMENT, 1904.**

[Source: Tigranov, G. Th, i Gussiatnikov. Vraчебnaya pomoshch rabochim na gornykh zavodakh, 1907.]

**NUMBER.**

Form of aid.	Establishments employing—					Total establishments.
	15 persons and under.	16 to 100 persons.	101 to 500 persons.	501 to 1,000 persons.	Over 1,000 persons.	
Separate hospitals.....	1	8	29	26	61	124
Hospitals of several establishments combined...	399	337	194	36	45	1,011
Separate emergency wards.....	5	44	64	8	.....	11
Emergency wards of several establishments combined.....	37	71	24	1	.....	133
Separate dispensaries.....	1	6	10	2	1	20
Dispensaries of several establishments combined.....	3	29	17	2	1	52
Agreements with zemstvos.....	240	308	5	1	2	556
Agreements with municipalities.....	108	17	3	.....	.....	128
Agreements with Red Cross.....	.....	2	1	.....	.....	3
Agreements with other hospitals.....	8	21	13	3	.....	45
Total.....	802	843	360	78	110	2,193
No organized medical aid.....	1,417	143	7	.....	1	1,568
Not reported.....	53	17	2	.....	.....	72
Grand total.....	2,272	1,003	369	78	111	3,833

**PER CENT.**

Hospitals.....	17.60	34.40	60.43	78.20	95.50	22.61
Emergency wards.....	1.85	11.46	23.85	11.54	.....	6.62
Dispensaries.....	.18	3.49	7.32	5.13	1.80	1.88
Agreements with zemstvos, etc.....	15.67	34.70	5.96	5.13	1.80	19.10
Total.....	35.30	84.05	97.56	100.00	99.10	57.21
No organized medical aid.....	62.37	14.26	1.90	.....	.90	40.91
Not reported.....	2.33	1.69	.54	.....	.....	1.88
Grand total.....	100.00	100.00	100.00	100.00	100.00	100.00

The actual situation is more favorable to the employees than the preceding table would indicate. It appears from the following table that 78.92 per cent have the benefit of either independent or cooperative establishment hospitals, 6.46 per cent more are treated in other hospitals by agreement, and nearly 10 per cent may go to either emergency wards or dispensaries, most of these having also the right to treatment in near-by hospitals when such treatment is necessary, so that altogether about 20,000 workers, or less than 5 per cent of the employees, are not provided with medical aid.

NUMBER AND PER CENT OF EMPLOYEES OF MINING AND METALLURGICAL ESTABLISHMENTS PROVIDED WITH MEDICAL AID, BY FORM OF AID AND SIZE OF ESTABLISHMENT, 1904.

[Source: Tigranov, G. Th, i Gussiatnikov. Vrachebnaya pomoshch rabochim na gornykh zavodakh, 1907.]

NUMBER.

Form of aid.	Employees in establishments employing—					Total employees.
	15 persons and under.	16 to 100 persons.	101 to 500 persons.	501 to 1,000 persons.	Over 1,000 persons.	
Separate hospitals.....	10	515	8,364	16,515	144,206	169,610
Hospitals of several establishments combined....	2,829	14,172	42,700	23,570	83,567	166,838
Separate emergency wards.....	49	2,617	13,611	3,944	.....	20,221
Emergency wards of several establishments combined.....	322	2,897	3,667	796	.....	7,682
Separate dispensaries.....	12	295	2,506	1,192	1,200	5,205
Dispensaries of several establishments combined.....	32	1,350	3,432	1,510	1,303	7,627
Agreements with zemstvos.....	2,500	11,106	1,022	590	3,745	18,963
Agreements with municipalities.....	769	708	494	.....	.....	1,971
Agreements with Red Cross.....	.....	39	150	.....	.....	189
Agreements with other hospitals.....	63	1,251	2,985	2,128	.....	6,427
Total.....	6,586	34,950	78,931	50,245	234,021	404,733
No organized medical aid.....	11,405	5,848	1,227	.....	1,623	20,103
Not reported.....	620	614	264	.....	.....	1,498
Grand total.....	18,611	41,412	80,422	50,245	235,644	426,334

PER CENT.

Hospitals.....	15.26	35.47	63.50	79.78	96.66	78.92
Emergency wards.....	1.99	13.32	21.48	9.43	.....	6.54
Dispensaries.....	.24	3.97	7.38	5.38	1.06	3.01
Agreements with zemstvos, etc.....	17.90	31.64	5.78	5.41	1.59	6.46
Total.....	35.39	84.40	98.14	100.00	99.31	94.93
No organized medical aid.....	61.28	14.12	1.53	.....	.69	4.72
Not reported.....	3.33	1.48	.33	.....	.....	.35
Grand total.....	100.00	100.00	100.00	100.00	100.00	100.00

The total annual cost and the per capita cost are shown in the next table. Agreements with zemstvos seem the cheapest way to provide medical help, while independent hospitals are the costliest. The per capita cost of these hospitals decreases with the increase in the size of the establishment. For the smaller establishments a cooperative hospital is very much cheaper than an independent one, but this difference declines with the increase in the size of the establishments.

The data of the table do not give the correct total of the expenditures of the mining and metallurgical industry for medical help to the workers, because over 40,000 employees provided only with emergency rooms or dispensaries at the establishment, receive in addition, when necessary, hospital treatment at some hospital in the vicinity at the expense of the employer.

TOTAL AND PER CAPITA COST OF PROVIDING MEDICAL AID TO EMPLOYEES OF MINING AND METALLURGICAL ESTABLISHMENTS, BY FORM OF AID AND SIZE OF ESTABLISHMENTS, 1904.

[Source: Tigranov, G. Th, i Guaslatnikov. Vrachebnaya pomoshch rabochim na gornykh zavodakh, 1907.]

TOTAL COST.

Form of aid.	Cost in establishments employing—					Total.
	15 persons and under.	16 to 100 persons.	101 to 500 persons.	501 to 1,000 persons.	Over 1,000 persons.	
Separate hospitals.....	(a)	\$5,083	\$54,330	\$87,176	\$572,099	\$718,688
Hospitals of several establishments combined.....	\$13,761	51,356	190,528	69,796	294,198	619,437
Separate emergency wards.....	129	14,385	42,607	7,669	.....	64,790
Emergency wards of several establishments combined.....	379	1,284	5,578	2,553	.....	9,794
Separate dispensaries.....	408	1,450	10,731	3,610	4,606	20,805
Dispensaries of several establishments combined.....	45	4,570	10,479	4,929	4,679	24,702
Agreements with zemstvos.....	591	2,866	672	(a)	361	4,490
Agreements with municipalities.....	52	1,328	374	.....	.....	1,754
Agreements with Red Cross.....	.....	41	193	.....	.....	234
Agreements with other institutions.....	15	1,454	2,790	536	.....	4,795
No organized medical aid.....	1,287	1,543	206	.....	.....	3,036
Total.....	16,667	85,360	318,286	176,269	6870,548	61,476,132

PER CAPITA COST.

Separate hospitals.....	(a)	\$9.87	\$6.49	\$5.27	\$3.97	\$4.21
Hospitals of several establishments combined.....	\$4.86	3.63	4.45	2.96	3.52	3.71
Separate emergency wards.....	2.63	5.50	3.13	1.94	.....	3.20
Emergency wards of several establishments combined.....	1.17	.44	1.52	3.20	.....	1.27
Separate dispensaries.....	3.40	4.91	4.28	3.03	3.84	4.00
Dispensaries of several establishments combined.....	1.40	3.38	3.05	3.26	3.57	3.24
Agreements with zemstvos.....	.24	.26	.65	(a)	.10	.24
Agreements with municipalities.....	.07	1.87	.77	.....	.....	.89
Agreements with Red Cross.....	.....	1.06	1.29	.....	.....	1.24
Agreements with other institutions.....	.24	1.16	.94	.25	.....	.75
No organized medical aid.....	.12	.29	.16	.....	.....	.15
Average.....	.84	2.08	3.96	3.51	3.73	3.46

a Not reported.  
b This total is not the correct sum of the items; the figures are given as shown in the original report.

MEDICAL AID TO RAILROAD EMPLOYEES.

Of all industrial employees, those employed by the railroads are best provided with medical aid. The State as well as private railroads support a large number of hospitals and emergency wards, in which not only the employees themselves but the members of their families receive gratuitous medical and surgical aid. In the following statement are given the main data concerning these medical facilities of the railroads for 1902 and 1907, indicating their rapid growth within the five years in which the mileage has increased from 35,655 to 40,197 miles, or less than 13 per cent.

MEDICAL STAFF AND HOSPITAL FACILITIES PROVIDED FOR RAILROAD EMPLOYEES,  
1902 AND 1907.

[Source: Ministerstvo Putei Soobshchenia. Otdiel zheleznnykh dorog. Otchet o vrachebno-sanitarnom sostofanii zheleznnykh dorog, 1902, 1907.]

Year.	Medical staff.					Hospital facilities.				
	Physi- cians.	Drug- gists.	Med- ical as- sistants, mid- wives, etc.	Other em- ployees.	Total.	Hos- pitals.	Emer- gency wards.	Beds.		
								In hos- pitals.	In emer- gency wards.	Total.
1902.....	642	56	1,741	1,672	4,111	74	694	2,234	1,362	3,606
1907.....	891	88	2,406	2,399	5,784	114	849	3,688	1,583	5,271

As is shown in the table following, the number of persons entitled to the medical aid increased from 1,802,237 in 1901 to 2,794,795 in 1907, and the members of the families constituted nearly 2,000,000, or over 71 per cent of the entire number. The cost of this medical aid nearly doubled within this period, while the average cost per person entitled to treatment increased from \$1.63 to \$1.98, and the average cost per person employed increased from \$3.76 to \$4.86.

NUMBER OF RAILROAD EMPLOYEES AND OF MEMBERS OF THEIR FAMILIES AND  
EXPENDITURES FOR MEDICAL AID, 1901 TO 1907.

[Source: Ministerstvo Putei Soobshchenia. Otdiel zheleznnykh dorog. Otchet o vrachebno-sanitarnom sostofanii zheleznnykh dorog, 1902-1907.]

Year.	Number of em- ployees.	Members of families.	Total en- titled to aid.	Expenditures for medical aid.		
				Total.	Per em- ployee.	Per per- son en- titled to aid.
1901.....	545,554	1,256,683	1,802,237	\$2,060,350	\$3.76	\$1.63
1902.....	628,021	1,400,134	2,028,155	2,372,844	3.78	1.69
1903.....	662,567	1,523,817	2,186,384	2,517,453	3.80	1.65
1904.....	726,825	1,635,098	2,361,923	2,698,066	3.71	1.65
1905.....	709,531	1,761,276	2,470,807	2,900,808	4.09	1.65
1906.....	763,425	1,883,828	2,647,253	3,450,496	4.52	1.83
1907.....	808,444	1,986,351	2,794,795	3,935,586	4.86	1.98



The main items of expenditures are shown in the table following. Nearly one-half of the expenditure is for salaries and traveling expenses of the medical staff, and the bulk of the other half for medical and surgical supplies and the cost of keeping the patients in the railroad hospitals or in other hospitals:

EXPENDITURES OF RAILROADS FOR MEDICAL AID TO EMPLOYEES AND MEMBERS OF THEIR FAMILIES, 1901 TO 1907.

[Source: Ministerstvo Putei Soobshchenia. Otdel zheleznykh dorog. Otchet o vrachebno-sanitarnom sostoianii zheleznykh dorog, 1902-1907.]

Year.	Salaries, travelling expenses, etc.	Rent, heat, light, cleaning, and repairs.	Furniture, etc.	Medical and surgical supplies.	Keeping patients in railroad hospitals.	Keeping patients in other hospitals.	Funeral expenses.	All other expenditures.	Total.(a)
1901.....	\$1,117,879	\$242,321	\$55,614	\$302,973	\$129,100	\$155,392	\$18,367	\$19,074	\$2,050,350
1902.....	1,291,053	269,795	77,067	323,079	144,471	176,436	34,131	55,106	2,372,844
1903.....	1,358,197	286,863	66,623	360,069	153,705	207,416	33,905	50,624	2,517,453
1904.....	1,404,512	307,327	83,706	359,724	185,536	223,649	33,369	100,244	2,698,066
1905.....	1,478,075	339,793	91,801	397,010	252,268	255,205	50,406	62,001	2,900,808
1906.....	1,667,729	388,233	107,056	534,319	292,787	374,999	41,967	43,498	3,450,496
1907.....	1,914,440	431,608	111,894	582,501	311,245	397,199	48,060	138,743	3,935,596

a For most of the years the totals are slightly different from the sum of the items; the figures are given as shown in the original reports.

The extent to which the employees utilize these medical facilities is shown in the next table. There were 229.6 cases for each 100 employees in 1901 and 279 per each 100 employees in 1907, an increase of 21.5 per cent in six years. The members of the families do not apply for medical aid as frequently, but here, too, the increase was from 107.5 per 100 in 1901 to 130.9 in 1907, or 21.8 per cent. As the number of members of families exceeds that of employees by nearly 150 per cent, the actual treatment given to them was greater than to the employees, notwithstanding the very much higher sickness rate of the former. Altogether nearly 5,000,000 cases of illness are being treated by the railroads' medical staff.

NUMBER OF EMPLOYEES OF RAILROADS AND MEMBERS OF THEIR FAMILIES TREATED BY THE RAILROAD MEDICAL STAFF, 1901 TO 1907.

[Source: Ministerstvo Putei Soobshchenia. Otdel zheleznykh dorog. Otchet o vrachebno-sanitarnom sostoianii zheleznykh dorog, 1902-1907.]

Year.	Employees.			Members of families.			Total.		
	Number.	Cases treated.		Number.	Cases treated.		Number.	Cases treated.	
		Total.	Per 100 employees		Total.	Per 100 members.		Total.	Per 100 persons.
1901.....	545,554	1,252,520	229.6	1,256,683	1,351,036	107.5	1,802,237	2,603,556	144.5
1902.....	628,021	1,383,765	220.3	1,400,134	1,552,615	110.9	2,028,155	2,936,380	144.8
1903.....	662,567	1,492,527	225.3	1,523,817	1,704,896	111.9	2,186,384	3,197,423	146.2
1904.....	726,825	1,568,755	215.8	1,635,098	1,851,658	113.2	2,361,923	3,420,413	144.8
1905.....	709,531	1,757,581	247.7	1,761,276	1,975,076	112.1	2,470,807	3,732,657	151.1
1906.....	763,425	2,074,901	271.8	1,883,828	2,293,743	121.8	2,647,253	4,368,644	166.0
1907.....	808,444	2,255,763	279.0	1,986,351	2,599,854	130.9	2,794,795	4,855,618	173.7

## PROPOSED REFORMS.

The foregoing statistical data show that in manufactures, mining, and railroads the employers expended in 1907 nearly \$12,000,000 in furnishing medical aid to some 2,750,000 employees and their families; but nevertheless the system is not considered satisfactory.

The shortcomings of the system of medical aid to workers in private establishments, as established by the temporary rules of 1866 and the later fragmentary legislation, were disclosed in the report of the factory inspector above quoted, and since the beginning of the present century a plan for a comprehensive law has been under preparation in the Ministry of Finance. A draft of this plan was made public in 1903, and referred for criticism to the Ministries of Justice, Agriculture, Interior, and Ways of Communication. A later draft embodying the changes suggested by these ministries was made public in 1905. The proposal at that time seemed very near becoming a law, but action on it was postponed for the consideration of the newly established Duma, in connection with the intended complete revision of the entire labor legislation. The plan was again under discussion in connection with the problem of labor insurance in the spring of 1908, but no action has as yet been taken.

This proposed law establishes the principle that workmen employed in factories, mills, mines, and metallurgical establishments privately owned must be furnished medical aid at the expense of the employer. The earlier draft included the private railroad shops, but it was pointed out by the minister of ways of communication that all railroad employees had been provided for, under more favorable conditions, since 1893. This medical aid may include first aid to the injured or those suddenly taken ill, medical advice, medicine, dressings and similar appliances in ambulatory cases, medical attendance in confinements, full hospital treatment and subsistence in cases requiring confinement in bed, or in exceptional cases, treatment, medicines, etc., but without subsistence, when the patient prefers to remain at home, with the permission of the attending physician. When the nature of sickness is such as to cause disability to work, such medical aid must be given until recovery, but not longer than three months, though in exceptional cases this limit may be extended to six months. In these cases the duration of treatment does not depend upon the employment contract. In cases which do not cause disability the employer is required to furnish treatment only up to the expiration of the employment contract.

To meet the requirements of this plan, the employer may establish and support hospitals and dispensaries independently or in conjunction with other employers of labor, and in such cases the medical institutions of the factory must satisfy in every particular the stand-

ard requirements to be published by the medical council of the Ministry of Interior, or he may enter into agreement with municipal authorities or the zemstvo to furnish this aid in their medical institutions for compensation. It was the intention of the legislative plan to encourage such agreements, and it provided, therefore, that when the employer desired to enter into such an agreement public institutions could not decline to accept it. For such services the employer could be required to pay the municipality or zemstvo annual compensation for the current cost, as well as a lump sum for the organization of the necessary hospital facilities, the rates of compensation to be fixed by the municipality or zemstvo under approval of the civil authorities and the factory and mining commissions. Appeals against the decisions of the latter are permitted to the ministers of finance and interior, and penalties are provided for failure to carry out the demands of the law. This legislative proposal has evidently abandoned the specific demands of the old temporary law of 1866 as to the number of beds, and left the elaboration of all practical details to administrative regulations.

The destructive tendency of this new proposal is its effort to transfer the organization of medical aid from the factory to the local civil authorities, while recognizing the duty of the employer to meet the financial burden. This was the result of the many disclosures, official as well as private, that the organization of medical aid in factory hospitals and dispensaries was not entirely satisfactory. In an official report on this matter, published in 1905, it is frankly admitted that the law of 1866 "forces upon the employer a function utterly foreign to him, which in the very nature of things can not be satisfactorily fulfilled." It was recognized at the same time that there were a few highly satisfactory factory hospitals, and these should not be absolutely prohibited. The choice between an independent hospital and an agreement with existing hospitals is left with the employer; but a high standard is established for private hospitals which would require such a high cost that in the majority of cases an agreement would be considerably cheaper, and the local hospital authorities are not permitted to decline to enter into such agreement. Finally the argument is brought forth that such agreements are preferable for the treatment of the employee's family, since by no principle can the employer be required to furnish hospital facilities for the benefit of the workmen's families, while if the local authorities will extend their hospital facilities in accordance with agreements with factory owners room will be found for the workmen's families as well.

In view of the preparation of this draft of a special law for regulating conditions of medical aid to employees of the manufacturing, metallurgical, and mining industries the draft of a general labor insurance law of 1905 did not contain, in its chapter on sickness insurance, any

reference to medical aid. When subsequently the proposal of a labor insurance law was broken up into its component parts and a special bill prepared for each branch of labor insurance, the matter of medical assistance was combined with that of sick benefits into one bill. Nevertheless the essential features of the proposal remained the same as in the drafts of 1903 and 1905. In the draft of December, 1906, presented to the Duma in June, 1908, the obligation of furnishing medical aid and that of furnishing sick benefits are still kept separately, because of the conviction that the workmen's sick benefit associations to be established in the factories and mines would not have any experience with the work of furnishing medical aid and could not be expected to cope with this important problem successfully. The burden of the cost of medical aid is left upon the employer. It is provided, however, that the employer may transfer this duty to the sick-benefit fund by mutual agreement, in addition to the option of making similar agreements with other employers or public hospitals in the vicinity. Where no such agreement exists, the wage-worker obtains the right to receive treatment in the hospitals of the municipal or zemstvo authorities, and the actual cost must be borne by the employer. The elaboration of the regulations and the entire administration of the law is to be placed in the hands of the labor insurance council, the establishment of which is contemplated in the general scheme of labor insurance.

#### FINANCIAL ASSISTANCE DURING SICKNESS.

Much less has been accomplished for financial relief during illness of workmen than for medical aid. If the sickness requires hospital treatment, subsistence is given to the patient free, in compliance with a decision of the Ministry of Finance. By the law of 1886 subsistence was a part of the hospital treatment and the employer could not charge for it. The conditions of life of the majority of the Russian factory workers are such that serious cases requiring confinement in bed can not be satisfactorily treated at home. Only two-fifths of the factory workers had factory hospitals at their disposal. Where only dispensary treatment is furnished, and in all cases not requiring hospital treatment, no subsistence is granted; besides, in case of hospital treatment the family of the patient is without income. The only general legislation which endeavors to meet this situation is that referring to "fine funds."

#### FINE FUNDS.

The imposition of fines and penalties upon employees is a feature of Russian industry. Before the adoption of the law of 1886 regulating the relations between employers and employees, fines in some

establishments furnished considerable returns to the employers. This abuse was remedied by law, which regulated the imposition of fines and provided that the proceeds be used for the relief of the workmen only. This and all other provisions of the law of 1886 were extended in 1892 to the mines and metallurgical establishments.

According to this law the manager of the industrial establishment may by his own authority impose fines for only three reasons: (1) For faulty work, (2) for absence without excuse, (3) for "disturbance of the peace and order," such as tardiness, carelessness with machinery or with fire, lack of cleanliness, fights, quarrels, disobedience, drunkenness, gambling, or any conduct contrary to the factory rules. The fines must be imposed according to a definite scale approved by the factory inspector. The actual amount of fines imposed must not exceed one-third of the wages due at pay day, but when the sum of fines imposed would exceed that limit the manager may dismiss the employee. Against these fines the employee has no appeal, but if the factory inspector during his visit of inspection discovers cases of illegal fining, he must hold the manager responsible for it. The amount of fines collected in each establishment constitutes a special fund, which may be used only for the benefit of the employees with a special approval of the factory inspector in each case, and in conformity with the regulations to be published by the minister of finance in regard to the purpose and methods of such relief. According to these regulations promulgated by the minister of finance on December 4 (16), 1890, subsidies from these funds may be granted for the following purposes only: Permanent or temporary disability due to sickness; pregnancy, if work has been discontinued two weeks before childbirth; funeral expenses; sudden loss of employee's property through fire or other causes. The fund is administered by the employer, but all sums over 100 rubles (\$51.50) must be deposited with the state savings bank, and the accounts of this fund are subject to the control of the factory inspectors. The factory commission may, upon its own judgment, grant the employers the right to grant subsidies not to exceed 15 rubles (\$7.73) each, but this permission is subject to recall when the subsidies are granted extravagantly or not in conformity with the laws and regulations. On the other hand, the factory inspectors may grant such subsidy when the manufacturer unjustly refuses it to a needy workman; but the manufacturer may enter a complaint with the local factory commission against such acts of the inspector.

In comparatively few factories are fines levied. While the data do not go back of 1900, even for the eight years 1900 to 1907 the number of establishments in which the collection of fines is authorized has declined, and also the number of factories in which fines

have actually been imposed. The percentage of establishments imposing fines decreased from 26.8 in 1900 to 20.2 in 1907, and the percentage of workmen employed in such establishments decreased from 70.8 to 63.7. The decline was greatest in 1906 and 1907, immediately following the extraordinary wave of strikes in 1905 and 1906. But in 1908, the last year for which data are available, there has been a slight increase of fining.

Fines are most frequent in the larger establishments, for while the factories imposing fines constituted, in 1905, 26.5 per cent of the total, the number of workmen employed in these factories constituted 71.5 per cent.

The accumulated fine funds on January 1, 1900, amounted to \$1,240,583, and by January 1, 1905, had reached \$1,561,694, but since then has been declining. The income of these funds consists only of fines and interest on the money accumulated; the other revenues are mainly due to the sale or purchase of securities. While the income from interest was gradually increasing, due to increased accumulations, the amounts collected in fines were steadily declining. On the other hand, the benefits were increasing, being in 1905 much greater than the sum of the fines. In the years 1905 to 1907 exceptionally small amounts were collected in fines, so that the benefits granted were larger than the fines collected, and this has caused a decrease in the amount of the funds. With the reestablishment of normal industrial conditions in 1908 the amount of fines has again increased.

The following table shows the income and expenditures of these funds for 1900 to 1908:

INCOME AND EXPENDITURES OF FINE FUNDS IN RUSSIAN FACTORIES, 1900 TO 1908.

[Source: Ministerstvo Torgovli i Promyshlennosti. Otdel Promyshlennosti. Svod otchetov fabrichnykh inspektorov, 1900-1908.]

Year.	Amount of funds. (a)	Income.				Expenditures.			
		Fines.	Interest.	Other. (b)	Total.	Benefits.	Other expenditures. (c)	Transfers to central fund.	Total.
1900.....	\$1 83	\$296,166	\$44,818	\$108,097	\$449,081	\$256,631	\$97,298	\$662	\$354,591
1901.....	1 61	285,860	45,632	250,910	582,392	258,752	245,659	13,536	517,947
1902.....	1 61	273,043	48,807	170,731	492,581	258,203	167,746	13,865	439,814
1903.....	1 29	271,631	48,886	93,761	414,278	266,184	93,468	5,016	364,668
1904.....	1 38	276,012	53,751	73,919	419,132	275,977	89,111	14,496	379,584
1905.....	1 94	163,157	55,837	74,811	293,805	282,824	76,364	7,715	366,903
1906.....	1 38	142,462	51,786	74,800	269,048	248,354	79,541	4,264	332,159
1907.....	1 31	160,801	50,376	85,435	296,612	242,730	89,965	4,267	336,962
1908.....	1 47	222,819	49,056	79,189	351,064	265,142	65,430	5,982	336,554

\* By adding the excess of income over expenditures for each year to the amount of the fund for the preceding year somewhat different amounts will be obtained. The discrepancies are due to many corrections made in the original reports.

b Mainly sale of securities.

c Mainly purchase of securities for investment.

d This total is not the correct sum of the items; the figures are given as shown in the original report.



The causes for fines imposed are shown in the next table. The total number of cases in 1908 was 2,690,036, and the average fine since 1905 was only 8 cents. Fines for faulty work are most frequent, constituting in 1908, 78.7 per cent of all cases, but the average fine is only 6 cents. The average fine for unexcused absence is much higher, being 22 cents in 1908; and for disorderly conduct, 14 cents.

NUMBER, AMOUNT, AND AVERAGE OF FINES COLLECTED FROM FACTORY EMPLOYEES, BY CAUSES, 1908.

[Source: Ministerstvo Torgovli i Promyshlennosti. Otdel Promyshlennosti. Svod otchetov fabrichnykh inspektorov, 1908.]

Cause of fine.	Number of cases.	Amount of fine.	
		Total.	Average.
Faulty work.....	2,118,157	\$117,970	\$0.06
Unexcused absence.....	337,717	72,707	.22
Disorderly conduct.....	234,162	32,142	.14
All causes.....	2,690,036	222,819	.08

While the total amount of fines is considerable, their proportion to wages received was small, being only 13.8 cents per each \$100 of wages in 1908, or 17 cents per workman. It amounted to about 20 cents per \$100 of wages and 22 cents per workman before 1905, and was considerably lower during the three years 1905 to 1907.

As a source of relief for the workmen, these funds are not very important. In 1908 a total of \$265,142 was distributed in 92,611 payments, or \$2.86 per each payment, and the cases of more than one payment were rare. Relief for temporary disability from sickness is the most important item, and this, with the sums granted for permanent disability from sickness and for pregnancy, or what may be termed for purposes of sick relief, in 1908 was 60 per cent of the total amount distributed.

This form of relief is entirely voluntary with the employer, except in cases in which a factory inspector may grant a small sum in opposition to the decision of the employer.

The table following shows the number, amount, and average of each kind of benefit paid out of fine funds.

## NUMBER, AMOUNT, AND AVERAGE OF BENEFITS PAID OUT OF FINE FUNDS, BY KIND OF BENEFITS, 1900 TO 1908.

[Source: Ministerstvo Torgovli i Promyshlennosti. Otdel Promyshlennosti. Svod otchetov fabrichnykh inspektorov, 1900-1908.]

Year.	Perma- nent disability due to sickness.	Tempo- rary disability due to sickness.	Preg- nancy.	Funeral expenses.	Loss of property by fire.	Other objects or causes.	Total.
<b>1900.</b>							
Number of payments.....	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Total amount.....	\$48,872	\$79,309	\$38,000	\$40,973	\$28,625	\$20,852	\$256,631
Average.....							
<b>1901.</b>							
Number of payments.....	3,613	31,060	16,910	13,675	4,957	3,605	73,820
Total amount.....	\$33,149	\$95,782	\$33,632	\$42,670	\$36,140	\$17,379	\$258,752
Average.....	\$9.15	\$3.08	\$1.99	\$3.12	\$7.29	\$4.82	\$3.51
<b>1902.</b>							
Number of payments.....	5,859	32,486	20,744	15,598	4,671	6,670	86,028
Total amount.....	\$39,155	\$89,575	\$36,475	\$45,307	\$26,291	\$21,400	\$258,203
Average.....	\$6.68	\$2.76	\$1.76	\$2.90	\$5.63	\$3.21	\$3.00
<b>1903.</b>							
Number of payments.....	6,520	35,279	21,166	16,184	5,174	4,556	88,899
Total amount.....	\$42,597	\$90,005	\$35,085	\$45,341	\$34,397	\$18,759	\$266,184
Average.....	\$6.53	\$2.55	\$1.66	\$2.80	\$6.65	\$4.12	\$2.99
<b>1904.</b>							
Number of payments.....	7,014	34,311	22,301	18,174	4,241	6,179	92,878
Total amount.....	\$45,106	\$91,784	\$38,189	\$50,581	\$25,265	\$25,052	\$275,977
Average.....	\$6.43	\$2.68	\$1.71	\$2.78	\$5.96	\$4.05	\$2.97
<b>1905.</b>							
Number of payments.....	6,575	32,464	18,984	20,241	4,510	9,691	92,465
Total amount.....	\$41,528	\$90,122	\$32,995	\$56,451	\$28,906	\$32,822	\$282,824
Average.....	\$6.32	\$2.78	\$1.74	\$2.79	\$6.41	\$3.39	\$3.06
<b>1906.</b>							
Number of payments.....	6,537	29,820	17,599	17,968	5,077	8,353	85,354
Total amount.....	\$37,136	\$73,198	\$32,481	\$51,075	\$30,670	\$23,794	\$248,354
Average.....	\$5.68	\$2.45	\$1.85	\$2.84	\$6.04	\$2.85	\$2.91
<b>1907.</b>							
Number of payments.....	6,433	28,379	20,144	19,252	5,189	6,103	85,000
Total amount.....	\$36,151	\$72,957	\$33,233	\$52,197	\$25,268	\$22,923	\$242,730
Average.....	\$5.62	\$2.57	\$1.65	\$2.71	\$4.85	\$3.76	\$2.86
<b>1908.</b>							
Number of payments.....	9,029	31,989	19,834	21,169	4,048	6,542	92,611
Total amount.....	\$40,105	\$78,169	\$36,347	\$58,340	\$23,325	\$22,855	\$265,142
Average.....	\$5.11	\$2.44	\$1.83	\$2.76	\$5.76	\$3.49	\$2.86

a Not reported.

**CENTRAL FINE FUND.**—Through forced or voluntary liquidations of numerous establishments, their penalty funds remained in charge of factory inspectors in absence of any object for which they could be

lawfully used. A central penalty fund for relief of sick and injured workmen was established by the law of May 29 (June 10), 1895. Into this fund all penalty funds of liquidated establishments must be paid, and, in addition, all fines imposed by the factory commissions or by the courts upon employers for infractions of factory legislation. The fund was so small that not until June 28 (July 11), 1901, six years later, were the conditions of its application announced. According to the rules<sup>a</sup>) only the interest on the capital and one-half of the fines collected in any one year may be used for purposes of relief. The selection of cases for relief is left to the chief inspectors of the six districts, into which the entire factory inspection area in Russia is divided. It may be given either in the form of lump-sum payments, not over \$51.50, or pension not over \$4.12 per month for a period not exceeding three years, unless extended by special order of the minister of finance (now of the minister of commerce and industry). Relief may be given only to workmen employed or previously employed in establishments subject to factory inspection and only to workmen in most urgent need, preferably in cases of complete disability from illness or accident or to families of deceased workmen. In judging the merits of the case and the amount of pension to be granted, the inspector must consider the causes of disability, the degree of distress, the length of time the workman was employed in industrial establishments, his earnings, and whether he is receiving any other relief, whether for injury, by friendly agreement, or through an award of the court, or from the establishment fine fund. Though this last qualification is included in the rules of June 8 (21), 1901, a special amendment to the law was approved February 19 (March 3), 1904, to the effect that persons receiving compensation for injuries by virtue of the law of June 2 (15), 1903, are not debarred from the right to receive relief from the central fine fund. On January 1, 1901, the central fine fund amounted to 271,141 rubles (\$139,638) and by January 1, 1909, it had increased to 594,225 rubles (\$306,026). The income from all sources, transfers of establishments, special fines, and interest on accumulation in 1903 was 84,488 rubles (\$43,511); in 1904, 65,253 rubles (\$33,605); in 1905, 53,452 rubles (\$27,528); in 1906, 104,006 rubles (\$53,563); in 1907, 52,979 rubles (\$27,284); and in 1908, 78,226 rubles (\$40,286). The granting of relief from this fund began on July 1, 1902, and during the six months of that year amounted to 24,442 rubles (\$12,588); during 1903 it amounted to 43,939 rubles (\$22,629); during 1904, to 39,801 rubles (\$20,498); during 1905, to 38,254 rubles (\$19,701); during 1906, to 43,551 rubles (\$22,429); during 1907, to 35,865 rubles (\$18,470); and in 1908, to 41,069 rubles

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<sup>a</sup> Balabanov, M. *Fabrichnye zakony. Sbornik zakonov, rasporyazhenii i raziasnenii po yoprosam russkavo fabrichnavo zakonodalelstva.*

(\$21,150). The total number of beneficiaries in 1905 was 1,282, the average benefit being therefore about 30 rubles (\$15.54).<sup>(a)</sup>

**FINE FUNDS FOR STATE EMPLOYEES.**—The principle of fine funds for the benefit of the employees has been extended in later years to private mining and metallurgical establishments, by the decree of March 9 (21), 1892, making the law of 1886 applicable to them; to the workmen employed by the navy department on October 8 (20), 1892, the maximum allowance being 60 rubles (\$30.90) and not more than once a year; and to the employees of the arsenals and ammunition factories of the war department on April 21 (March 3), 1895. In other departments, or in those special groups of industry where special sick benefit funds (*Kassy*) exist, which will be described hereafter, the proceeds of fines and penalties are turned into these funds. This is done in all state mining and metallurgical establishments, in all private mining and metallurgical establishments of Poland, in some private mining establishments of Russia proper, and on railroads.<sup>(b)</sup> An imperial fine fund exists also for the mining industry similar to that for the manufacturing industry. On January 1, 1901, it amounted to about 245,000 rubles (\$126,175).<sup>(c)</sup>

#### SICK BENEFIT FUNDS.

As a whole the sick relief furnished by the fine funds does not meet the demand. The relief granted is small and the chances for relief are slight in view of the limitations of the funds. The system of relief through special sick relief funds, organized and supported either by the workmen alone or by cooperation between the employers and employees, is growing in Russia, but it has so far a limited application, and is in the initial stages of development.

Workmen's funds are most frequently found in the mining and metallurgical industry; they were made obligatory on all establishments in this industrial group, owned by the State; they are found in almost all private mining and metallurgical establishments of Poland, and a number of various relief funds exist in the mining industry of South Russia. The progress of these funds is explained by the greater necessity for relief due to the dangerous nature of the work in mines and metallurgical establishments. While this consideration influenced the employees, the employers found in these funds some protection against the frequent liability suits arising from accidents to employees.

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<sup>a</sup> Ministerstvo Torgovli i Promyshlennosti. Ob obespechniei rabochikh na sluchai boliezni.

<sup>b</sup> Trudy Vysochaishe Uchrezhdionnavo Rossiiskavo Torgovo-Promyshlennavo Siezda 1896 goda, v Nizhnem Novgorodie, Tom 3.

<sup>c</sup> Ministerstvo Torgovli i Promyshlennosti. Ob obespechniei rabochikh na sluchai boliezni.

Comparatively few of the workmen's or establishment funds are purely sick benefit funds. Most of them combine this with old-age or invalidity benefits, pensions to widows, or general relief. Before the compensation laws were adopted relief of accident cases claimed a considerable share of the income of those funds, to which the employers contributed. Those funds which are intended mainly for pensions will be treated later in connection with the subject of old-age insurance.

**SICKNESS INSURANCE IN THE STATE MINES AND METALLURGICAL ESTABLISHMENTS.**—The most favorable conditions of sickness insurance are found in the state mines and metallurgical establishments. According to the law of March 8 (20), 1861, organization of brotherhoods (*tovarishchestvo*) was required in all these mining and metallurgical establishments. Membership was made obligatory to all persons employed by the year. The law provided that these brotherhoods care for the workmen in case of illness, old age, or injuries resulting from accidents, provide for their widows or orphans, improve the morals of the working population, and further amicable relations between the employees and the Government. The latter is required by the law to establish free hospitals and grant sick relief. Every member of the brotherhood in case of illness is entitled, according to the provisions of this law, to free medical treatment and, if necessary, to hospital care during the period of two months, and in exceptional cases for a longer time. During this time married workmen who have children receive a subsidy equal to two-thirds of their wages; married workmen without children receive one-half of their wages; unmarried workers who support parents or other relatives from their earnings, one-third of their wages; while no money subsidy is granted to unmarried workers without dependent relatives. Further relief after the expiration of the two months' period is granted in equal amounts by the relief funds established in connection with these brotherhoods. These funds are intended primarily for old-age and invalid relief, and will be described later in connection with the subject of old-age pensions. In 1895 there were employed in the state mines and metallurgical establishments 24,000 persons, and on January 1, 1907, the total membership of these miners' brotherhoods was 19,589<sup>a</sup>, while the total number of persons employed in the mining and metallurgical industry is over half a million people. This system of sickness insurance, entirely at the expense of the employer, has therefore a limited application.

**BENEFIT FUNDS IN PRIVATE MINES AND METALLURGICAL ESTABLISHMENTS OF POLAND.**—The workmen's relief funds in the private mines and metallurgical establishments of Poland were organized in

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<sup>a</sup> Ministerstvo Torgovli i Promyshlennosti. Ob obespechnii rabochikh na sluchai oliezni.

1859. By 1880 there were 7 such funds, and 18 to 20 by the end of the last century. In 1898, according to the latest data available, 22,676 employees belonged to them.<sup>(a)</sup> In 1906 the 13 most important funds had 26,944 members. They present a variety of types both as to the sources of income and the objects of their expenditures. The main feature upon which these funds agreed was the obligatory participation of all workmen employed in the establishment, while for the superior administrative employees participation was optional. The workmen contributed regularly, such contributions being defined in per cent of earnings, usually from 1 to 3 per cent, and deducted from the wages by the establishment. To some of these funds the employers contributed an amount equal to the total deductions from the wages, and in a few cases a greater sum. In several cases, however, the sum contributed by the employers was only one-half or one-third of the deductions from wages, while in one or two funds no regular contributions were made. In a very few cases the object is strictly limited to rendering medical aid, and the funds are known as hospital funds; in a few other cases they are strictly sick benefit funds. In the majority of cases the funds undertook to furnish medical advice, medicines, hospital care, sick benefits, accident relief, pensions for old age or invalidism, pensions to widows and orphans, as well as relief in many other emergencies. The funds for a long time remained unregulated by law, and when the question of their regulation was raised in 1884 by the local authorities, the Central Government suggested that they be left undisturbed until a general law was elaborated.

When the factory law of June 8 (20), 1886, was extended to mines and metallurgical establishments on March 9 (21), 1892, a demand was made by the administration upon the employers of these establishments to furnish medical assistance and hospital facilities, and the deductions from the wages for the cost of medical help was contrary to the provisions of the factory law. As a result, some of the employers established the required hospital facilities, relieving the workmen's funds from this duty, without making reductions in their contributions to the funds; others left the matter of medical aid to the funds as before, but paid to the funds the entire cost of this treatment. This conflict between the law and the practice of the miners' funds was made a subject of discussion of the convention of mine operators and owners of metallurgical establishments of Russian Poland in 1893, and the convention agreed upon the desirability of separate standard sets of by-laws and regulations for sick benefit funds and general pension funds. The Government was petitioned in accordance with this resolution. Standard regulations for sick

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<sup>a</sup> *Kassy vsainopomoshchi rabochikh chastnykh gornykh zavodov i promyslov v Tzarstvë polskom*, G. Th. Tigranov, 1900, p. 132.



benefit funds were published by the Ministry of Agriculture and State Domains February 7 (19), 1895, but none for the pension funds, since the draft presented did not meet with the approval of the ministry.

Since then a few sick benefit funds were established in the mines of Poland in accordance with the new regulations and a few older funds reorganized in conformity with them; the majority of the funds, however, remained mixed funds as before, although some made changes to conform more or less to the standards of the rules of February 7 (19), 1895.

The model by-laws given in condensed form below were made applicable to a comparatively small number of employees, but they represent the first legislative effort directed to the specific aim of sickness insurance.

**MODEL BY-LAWS OF FEBRUARY 7 (19), 1895, FOR BENEFIT FUNDS IN PRIVATE MINES AND METALLURGICAL ESTABLISHMENTS OF POLAND.**

According to these by-laws, all workmen employed at the mine or metallurgical establishment are required to join the funds, and also the foremen and overseers who do not earn more than 500 rubles (\$257.50) per annum. Other employees may be admitted to membership upon request. The income of the funds is derived from membership dues and an equal amount contributed by the employers. The membership dues may be expressed either as a uniform percentage rate upon the salaries and wages of all members, not less than 1 and not more than 3 per cent, or the members may be divided into three wage groups: (1) Persons receiving more than 400 rubles (\$206) per annum; (2) persons receiving less than 400 rubles (\$206) but more than 200 rubles (\$103); and (3) persons receiving 200 rubles (\$103) or less. In this case the dues for the three classes mentioned must be at least 35 kopecks (18 cents), 25 kopecks (13 cents), and 15 kopecks (8 cents) per month, respectively; the dues may be raised if agreeable to the majority of the members and to the management of the establishment, but not to over 3 per cent of the wages. The employer must contribute an equal sum, but this does not relieve the employer from the obligation to furnish medical aid free if the cost of it is not covered entirely by the employer's contribution. If the income of the fund exceeds the expenditures, a reserve must be accumulated. When this reserve exceeds 20 rubles (\$10.30) per member, the surplus may be used for educational, religious, or other purposes beneficial to the members.

In return for these payments the fund must guarantee to the members at least the following advantages: (1) Free medical advice and medicine, in case of sickness, to the members, their wives, children under 15 years, and dependent relatives, provided the physician, hospital, or drug store is used according to the direction of the management of the fund; (2) an allowance during sickness of a member of the fund if he is incapacitated by this sickness from earning his wages, provided the sickness has not been caused by intentional injury or by drunkenness or by fighting. The amount of this daily allowance is determined as follows: When the employees for the purpose of determining the dues are divided into three wage groups as stated above, an employee of the first class receives 40 kopecks (21 cents) if married, and 30 kopecks (15 cents) if single; an employee of the second class, 30 kopecks (15 cents) and 20 kopecks (10 cents); and of the third class, 20 kopecks (10 cents) and 12 kopecks (6 cents), respectively. When the dues are collected as a flat percentage of the wages, the minimum daily allowance is to be 30 kopecks (15 cents) for married and 20 kopecks (10 cents) for single members. When married members are treated in a hospital the family receives only one-half of the regular allowance; a single member receiving hospital treatment is entitled to only one-fourth of the regular allowance. Both medical aid and allowances may be given for three months; in exceptionally meritorious cases this limit may be extended to six months by the administrators of the fund; (3) funeral expenses in case of death of an employee of at least 15 rubles (\$7.72); in case of death of any member of employee's family a smaller sum may be given. If the death of the employee is due to injuries received during work, funeral expenses of not less than 25 rubles (\$12.88) must be paid by the employers. (This rule is super-

sed by the law of June 2 (15), 1903.) The right for allowance and medical aid lasts only as long as the employment in the establishments, and the dues paid into the fund are not returnable.

The management of the fund is intrusted to a board consisting of an even number of members, not less than six, one-half of whom are to be appointed by the employers, and one-half elected by the membership of the fund, only male members who are of age possessing a vote. Both the chairman and vice-chairman of the board are appointed by the employers from among their representatives on the board. The members of the board serve for three years and without remuneration. The board must meet at least once a year, and decides questions that come up by a simple majority vote. During intervals between meetings all the affairs of the fund are in charge of the chairman.

The most recent data obtainable in regard to all funds of the Polish mines and metallurgical establishments unfortunately are considerably out of date, referring to 1897; but they are an indication of the extent and nature of sick relief furnished. The 17 funds existing at that time had 23,516 members. The membership varied from 29 in one mine to 5,620 in a large metallurgical establishment. The accumulated capital of these 17 funds at the beginning of 1898 amounted to 360,470 rubles (\$185,642), or 15.33 rubles (\$7.89) per member. More detailed data exist for 13 funds, with 22,625 members. The total income of these 13 funds was 300,387 rubles (\$154,699), to which should be added 49,064 rubles (\$25,268), being the cost of medical treatment as supplied by 5 establishments at their own expense, making a total of 349,451 rubles (\$179,967), or 15.45 rubles (\$7.96) per member. Of this income 145,201 rubles (\$74,779) were contributed by the workmen, or 6.42 rubles (\$3.31) per capita, and 115,715 rubles (\$59,593) by the employers. Thus of the total income of the funds, 48.3 per cent was furnished by the workmen, 38.5 per cent by the employers, and 13.2 per cent from interest and other sources. If the 49,064 rubles (\$25,268) spent by the employers for medical help are included, the employers' contribution of 164,779 rubles (\$84,861) exceeds that of the employees. Of the 13 funds, in 8 both employers and employees contributed equal shares, and in 2 the employer's contribution was one-half that of the employees, while no contributions were made by employers to 3 funds. The total expenditures of these 13 funds were 302,526 rubles (\$155,801); of this 121,051 rubles (\$62,341), or 40 per cent., were spent for medical aid. Including the 49,064 rubles (\$25,268) at the expense of the employer, the total expenditures amounted to 170,115 rubles (\$87,609). In addition to this heavy expenditure for medical aid, 48,948 rubles (\$25,208) were paid in sick benefits, and 6,234 rubles (\$3,211) for funeral expenses. The expenditures of the funds for the usual purposes of sick benefit funds were 176,233 rubles (\$90,760), or 58.3 per cent. Pensions and lump-sum payments, partly to satisfy claims for deaths resulting from accidents, amounted to 118,792 rubles (\$61,178), or 39.3 per cent, leaving 7,501 rubles (\$3,863) for expenses and other benefits. The contributions of the employer almost cover the ex-

pense of medical aid, while the sick benefits, funeral expenses, and pensions are paid from the workmen's contributions.

A few data are available for these 13 funds, referring to the situation in 1906. The membership increased from 22,625 in 1897 to 26,944 in 1906, or 19.1 per cent. The contributions from the workmen increased from 145,201 rubles (\$74,779) to 165,328 rubles (\$85,144), or 13.9 per cent, the average contribution in 1906 amounting to 6.14 rubles (\$3.16) as against 6.42 rubles (\$3.31) in 1897. The contributions of the employers increased from 115,715 rubles (\$59,593) to 172,866 rubles (\$89,026), or 49.4 per cent. This increase is explained by the fact that 2 more funds were organized in conformity with the regulations of 1895, and receive equal contributions from the employers and employees. The expenditures for sick benefits increased from 48,948 rubles (\$25,208) to 91,843 rubles (\$47,299), or nearly doubled. Funeral expenses increased from 6,234 rubles (\$3,211) to 18,294 rubles (\$9,421). Pensions and lump-sum payments amounted to 176,656 rubles (\$90,978) as against 118,792 rubles (\$61,178) in 1897.

On June 30 (July 13), 1900, new rules were passed for regulation of these funds of the mines and metallurgical establishments of Poland. These rules legalized the combination of pensions with sick benefits in the same fund and on November 29 (December 12), 1901, new by-laws of all the mines were approved by the minister of agriculture and state domains. The effort to establish absolute uniformity was evidently abandoned for the time being. Considerable differences exist in the by-laws of different funds as to the amount of dues and sick benefits.

**PRIVATE SICK FUNDS.**—While the sick funds of the Polish mining and metallurgical establishments and the brotherhoods of the state mine and metallurgical establishments are the only groups regulated by law, similar sick funds are found in other localities and branches of industry; and in many other establishments financial assistance is given by the employers and entirely at their cost either voluntarily or as a result of specific agreements between the employers and employees. Unfortunately the data in regard to the development are very scant, as no comprehensive investigation has ever been undertaken, and this form of assistance owes its greatest development to the labor difficulties of 1905 and 1906. The following brief review is based upon official data given in the memorial on insurance against sickness presented by the Ministry of Commerce and Industry to the Duma in the summer of 1908.

The most satisfactorily organized establishment funds for sick benefits are found in the Polish industrial region, and here they have existed for a long time. In the Province of Piotrkow, which includes the textile center of Lodz, 110 factories with 37,000 employees out of

900 with 126,000 employees subject to factory inspection had such funds. The usual contribution of the members is 1 per cent of the wages; the employers contribute one-third or one-half of the contributions of the employees. The usual sick benefit is one-half the daily wage; in a few cases it is only one-third; benefits are usually limited to six weeks. The total income of the funds in the province is estimated at about 150,000 rubles (\$77,250) with about 50,000 rubles (\$25,750) contributed by employers.

In Russia proper the movement, while more recent, has assumed a broader form. During the strikes of 1905 and 1906 financial assistance during sickness was frequently one of the demands presented. These demands were met halfway by many individual employers, and even organizations of employers; and collective agreements to that effect have been concluded. Thus in June, 1906, all the lumbermen of Archangel signed an agreement to grant to their employees sick benefits amounting to one-half the wages for a period not exceeding one month, provided the sickness is certified to by the employer's physician. Similar agreements were made in 1905 by the printing shops, the lumber mills, millers, and other branches of industry of Samara. In Orenburg 44 manufacturers signed an agreement not to deduct the wages in cases of absence of the employee for one day on account of his sickness, or that of his wife, children, or parents; to give medical aid, but without pay, during two weeks to the worker who has been employed not less than three months; after seven years of employment, to give him medical aid and subsistence for one month; after two years of employment, for five months. Similar agreements were made in the Province of Baku, the great oil region, in December, 1904, February, 1905, and June, 1906. The first embraced the oil refineries, chemical factories, machine shops, electric stations and similar establishments; the second included the printing industry; the third the shipbuilding and beer brewing industries. The factory inspectors, in 1907, reported that some form of sick benefits was paid in 1,982 establishments, or about one-eighth of all subject to factory inspection; but these establishments gave employment to 586,480 persons, or one-third of all employees in manufacturing industry. The proportion rises to 42.3 per cent in the central industrial region; 43.9 per cent in the Polish provinces; 52.5 per cent in the Caucasus, and 60.3 per cent in the northwestern region, while it falls to 32.2 per cent in the northwest; 31.1 per cent in the north; 29.6 per cent in the central black soil region; 26.4 per cent in the Baltic Provinces; 24.5 per cent in the south, and 15.5 per cent in the east.

Half the daily earnings is the most frequent amount granted, this being the established rate in 962 out of 1,982 enterprises, or nearly one-half of them; 741, or 37.4 per cent of the establishments, grant

full wages, but such high sick benefits are usually limited in time to 1 month or even to 2 weeks. Occasionally a distinction is made between married and single employees; and in a few instances only married employees are entitled to receive such benefits. In some cases the right to receive benefits is conditioned upon a certain length of employment—from 6 months to 2 years. The limitations as to the time during which benefits are paid are always defined, but the terms vary considerably. In 717 establishments, or 36.2 per cent of all those reported as granting benefits, the limit is from 1½ to 3 months; in 515 establishments; or 26.5 per cent, until recovery; in 789 establishments, or 14.6 per cent, during 1 month; and in 269 establishments, or 13.5 per cent, only during 1 or 2 weeks; in 182 establishments, or 9.2 per cent, neither the amount nor the duration of the sick benefits is regulated by any rules, but depend entirely upon the judgment and good will of the management.

An interesting form of sick insurance is represented by maternity benefits, which were granted in 153 establishments; of these, 142 were located in the central industrial region (around Moscow), where employment of women in the textile industry is very common. These benefits are usually paid during 2 to 4 weeks, and occasionally for a longer period. In some establishments leave with half pay or full pay is granted for 2 weeks before and 3 weeks after childbirth.

Similar provisions for sick insurance are found in the private mining industry of European Russia. In the Province of Ekaterinoslav, where the coal and iron mining is concentrated, 104 establishments, with 41,628 employees, grant some sick benefits. Almost all the oil wells of the Baku district grant half pay to sick employees during from 1 to 3 months.

These examples offer sufficient evidence that the conditions of industrial life have forced this form of social insurance before legislative authority was ready to introduce it, and that sick insurance has made very rapid progress during a very short time. In summing up these facts, the official report of the Ministry of Commerce and Industry to the Duma says: "Evidently the payment of benefits to sick employees must be regulated immediately, for the purpose of preventing the straining of the relations between the workmen and the employers. The care of the sick wage-workers during illness should not be a matter of private initiative, but must be made a problem for governmental concern and be solved by the introduction of compulsory insurance."

**INDUSTRIAL BENEFIT SOCIETIES.**—In addition to the establishment funds, a considerable number of industrial benefit societies exist in Russia, i. e., societies consisting of workmen in a certain industry or occupation. While many such societies have been described from time to time, no statistical or any other recent information can be



obtained as to their number or the extent of their activity. The most frequent and important functions of these funds are sick and funeral benefits, though old age or invalid and widows' pensions are often given. Most of the societies described were found in the more progressive western border provinces, such as the Baltic provinces, and Poland, and the large industrial centers—St. Petersburg, Moscow, and Odessa. Thus, in the Baltic provinces 98 artisans' mutual aid societies were found in 1898, and 113 funeral societies. Often these mutual aid societies are found in connection with the artisans' guilds, and represent the beginnings of organized charity rather than a system of insurance. Among the Jewish industrial population of Lithuania and White Russia such funeral and sick aid societies are frequent.

Better regulated benefit societies, with constitutions, sometimes officially approved by the authorities, definite dues and benefits, are most frequent in the printing trade. Such funds exist in Warsaw, Riga, Dorpat, Reval, St. Petersburg, Moscow, Odessa, Kazan, Kiev, Saratov, Samara, Smolensk, Tomsk, Nizhni Novgorod, Ekaterinoslav, Orenburg, Orel, etc. Those in the western cities are the oldest, the society in Warsaw existing since 1814, in Riga since 1816, and in Dorpat since 1819. Of the printers' benefit societies of St. Petersburg, one was organized in 1834 and another in 1866; the Moscow society followed in a few years, 1869, while the last 10 mentioned were organized since 1900. The sick benefits are usually from 3 to 5 rubles (\$1.55 to \$2.58) per week, free medical advice is provided, and the funeral benefits are from 20 to 60 rubles (\$10.30 to \$30.90). Old-age pensions are granted to invalids after fifteen or thirty years of membership, the amount of pension varying according to the length of membership, also according to the amount of dues; two or three classes of dues are the rule rather than any percentage of the wages. Such organizations are also met with among the commercial employees.<sup>a</sup>

#### PROPOSALS FOR COMPULSORY SICKNESS INSURANCE.

In 1902 the Russian Society for Development of Industry and Commerce appointed a commission which elaborated a complete legislative plan of compulsory sickness insurance and presented it to the Ministry of Finance. When the special interministerial commission was organized in conformity with the imperial manifesto of December 12 (25), 1904, and the resolution of the committee of ministers of December 24, 1904 (January 6, 1905), the instructions demanded the elaboration of a plan of compulsory sick insurance, the cost of which should be borne by both employer and employee.

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<sup>a</sup> *K rabochemu voprosu v Rossii*, S. N. Prokopovich, 1905.



The first draft of a sick insurance law was published on March 29 (April 11), 1905, in conjunction with the general plan for workmen's insurance.

#### PROPOSAL OF 1905.

This proposal for sick insurance embraced the same class of industries and establishments as the law of June 2 (15), 1903.

This insurance was to be effected by establishment sick benefit funds, to be organized in connection with each industrial or mining establishment employing over 50 wage-workers; smaller establishments might be joined together for the purpose of organizing a similar fund, and even establishments of the larger class in the same locality might do so, if both the employers and employees agree. Membership in these funds was to be obligatory for all workers employed either by the establishment or by its subcontractors, and also salaried employees receiving not over 1,500 rubles (\$772.50) per annum. Other employees may join the fund voluntarily.

The benefits paid by these funds were to be as follows: (1) Daily sick benefits amounting to from one-half to one-third of the daily wages of the worker, to be paid until perfect recovery or for a definite maximum limit which is to be established for each fund, but must not be less than three months; (2) maternity benefits to working-women in case of childbirth, amounting to the earnings of four to six weeks; and (3) funeral benefits, equaling twenty to fifty times the daily wages.

Following the example of the German sickness insurance system, certain obligations toward the employees injured while at work, and covered by the compensation act of June 2 (15), 1903, were to be transferred for a certain time from the employers to the sick benefit associations. These include funeral expenses, sick allowances, and cost of treatment for six weeks. This transfer seems to be justified by the large burden which the contributions to the sick benefit association place upon the employer.

To meet its obligations the sick benefit association was to collect dues from its membership; the amount of these dues to be not less than 1 per cent nor more than 3 per cent of the actual earnings of the employees. The employer was to contribute to the association an amount equal to the total income from dues.

These dues and contributions, together with other incomes of the associations, such as interest upon money, constitute the "turn-over" or general fund, out of which the obligatory benefits must be paid. In addition, the association must possess a reserve, into which were to be paid the surplus from the annual operations of the association, the fines for delinquent payment of dues by the employer; and the membership might order a definite percentage of the dues of both

the employees and the employers to be paid into the reserve. The reserve was to be used to keep up the uninterrupted payment of benefits when the operating fund is exhausted.

A third fund was also provided, to be known as the fine fund, into which the fines levied upon the workers must be paid, and this fund was to be used only for additional benefit features, which each association may establish; the following feature being permitted by the proposed law: Medical treatment of members of families of workers belonging to the associations, sick benefits to the members of the family, funeral expenses in case of death of members of the family, maternity benefits to the wives of the workmen, and also various subsidies, other than sick benefits, to the needy workers.

In its main features this legislative proposal follows the provisions of the decree of February 7 (19), 1895, promulgating a standard constitution for the sick benefits of the Polish mining and metallurgical industry. The duty of furnishing medical help was not imposed upon the planned associations, in view of the special law proposed for regulation of the matter of medical assistance entirely at the expense of the employer; and the minimum scale of sick benefits allowed was considerably higher. On the other hand the distinctions between married and single workers was eliminated, and the amount of medical assistance furnished to the family of the worker would be very limited, since only the fine fund would be available for the purpose of such extension of the activity of the associations.

#### PROPOSAL OF 1906.

The draft of the law adopted about a year later at the insurance conference of April 15 to 21 (April 18 to May 4), 1906, organized by the Ministry of Commerce and Industry, followed the general plan of that of 1905, but introduced several important modifications.

The scope of the bill was made somewhat more comprehensive. It was not limited to those establishments which are covered by the accident law of 1903, but embraced all manufactures, mining and metallurgical industries.

The conditions of membership for the employees were left the same, and also the three classes of benefits, with the same limits of the minimum and maximum benefits, except that a maximum limit of sick benefits was established at 26 weeks. Provision was made for the sick benefit fund assuming the employer's obligation to furnish medical help, for an agreed stipulation, such agreements to be approved by the local factory inspection office. The combination of sick benefits with care of the sick was therefore permitted, though not required.

The main sources of income of the fund were to be contributions from the employers and employees as in the previous drafts; but per-

haps the most important change was the reduction of the share of the employer, from an amount equal to the contributions of the employees to one-half that amount, thus considerably limiting the income of the funds.

Thus, while each sick fund was to have the right to extend to the members of the family of the employees the cost of treatment, sick benefits, maternity benefits, or funeral expenses, the opportunity for such extended activity was evidently considerably reduced. Even the possibility was foreseen that with this reduction the maximum dues permitted (3 per cent of the earnings) might not be sufficient to meet the expenses of minimum benefits, and in such cases the employers were made responsible for the deficit.

#### PROPOSAL OF 1908.

The workmen's sickness insurance bill, which was introduced in the Duma January 25 (February 7), 1908, was much more elaborate than its predecessors. Organization and administration were more carefully worked out in this bill, representing for the time being the final conclusions of the Government. It contained many changes in the plan, though the basic principles remained intact. The bill covered the question of medical aid, but its organization was kept apart, as explained in the section dealing with that problem.

The bill is an essential part of the comprehensive system of labor insurance planned by the Government. It is not limited to manufactures and mining, but also includes railroads, inland navigation, and street railroad establishments. It is limited to establishments which employ steam or other mechanical power and at least 20 permanent wage-earners, or 30 permanent wage-earners where no mechanical power is used. This provision is expected to solve the question as to what establishment is a factory or mill. Small shops may be so advantageously located that a union with existing funds would present no difficulties; it is therefore provided that the labor insurance council may, upon recommendation of the local labor insurance commissions, extend the application of the law to establishments using mechanical power and employing not less than 5 wage-workers. Under special conditions the council may temporarily except certain small and isolated establishments from the operations of this law until these conditions have changed. Establishments of a temporary nature may be relieved by the local commission from the obligations imposed by this law; and appeals against such acts are brought to the central council, whose decision is final. This provision in regard to temporary enterprises was thought necessary because of the difficulties connected with a temporary organization of a sick benefit fund. When such changes take place in the nature of an establishment as to take it out of the class to which the bill applies, the obli-

gation of insurance ceases. All establishments owned by zemstvos and municipalities are excepted, for many such public institutions have already established systems of sick relief.

In the establishments covered by the law all permanent employees receiving less than 1,500 rubles (\$773) per annum (including the value of board and lodging), whether employed as workmen or in the offices, are subject to the insurance system. Temporary employees hired for less than two weeks are excepted. The maximum limitation of salary is taken from the law of 1903 and is identical with that in the accident insurance. Under special regulations, persons receiving more than that remuneration may voluntarily come under the insurance system.

According to this bill insurance against sickness must be by means of sick benefit associations. Establishments with 400 permanent employees or over have their individual sick benefit associations, and only in exceptional cases may the organization of independent associations be authorized by the local labor insurance commission in establishments with a smaller number of employees. Smaller establishments must unite for the organization of such association, or join existing associations.

The organization of joint associations must have the approval of the proprietors of the several establishments, as well as of the local labor insurance commissions. For the admission of a new establishment into an existing association, or the union of several existing associations into one, the agreement of these associations must also be obtained. Such agreements and approvals are necessary in view of the differences in the rates of accidents and sickness. This provision is limited by the clause authorizing the local labor insurance commission to order such unions on its own initiative, and thus the final decision of all such questions is practically taken out of the hands of the employees, who are the main contributors to the associations, and left entirely in the hands of the authorities. The membership of the employee in the association begins with the day of entering service and ends either with the expiration of such service or with change in the conditions. Voluntary members of the associations may resign at any time, provided they have held membership for at least one year.

The associations must have their own constitutions, but this right is subject to limitations. The right to prepare the constitution is left to the employer (the owner of the establishment). The employees are not permitted to have any voice in the matter. In addition, the central labor insurance council is directed to prepare a normal (standard) constitution and while the adoption of this constitution is not to be obligatory, its use is to be encouraged. The application for a permit to organize an association is made by the owner of the establishment

to the factory inspector, and if the use of the standard constitution is agreed to the inspector grants this permit. If a new constitution or any modification of the normal constitution is desired, the approval of the local labor insurance commission must be first obtained. If the employer does not make such an application within the time specified by the commission the latter may order the organization of the institution under the standard constitution.

The constitution must state the name of the association, place, list of establishments, method of election and functions of the board of directors, the organization, functions, and procedure of the general meetings, the revenues, their investments, etc., the expenditures, bookkeeping and accounting, the methods of amending the constitution, methods of liquidating the association if necessary, and care of books and documents during temporary suspension of the association. These details of the constitution must conform to the limitations established in the law.

The associations are permitted to enter into agreements with the employers to assume for a definite consideration the duty of furnishing medical help, and for this purpose they may establish hospitals and dispensaries and also enter into agreements with zemstvos and municipalities or private institutions for treatment of the sick.

The payment of benefits is the main function of the associations; this includes sick benefits, maternity benefits, and funeral expenses. Sick benefits are paid in all cases of sickness lasting over three days, except when sickness is self-afflicted with malicious intent or caused by fights or criminal acts. The exception of sickness lasting three days or less is expected to relieve the associations of minor cases which are not serious enough to cause financial distress to the wage-earners, or which may be due to malingery or debauchery, and which would prove to be a heavy burden for the association. The amounts of the sick benefits are left to the associations, but must fall within the following limits: For married persons with dependent families, from one-half to two-thirds the daily wage, and for persons without dependent families (whether single or married), from one-fourth to one-half of the daily wage.

These sick benefits are paid for not over twenty-six weeks in any one case of sickness, and not over thirty weeks to one person within the same year.

Those members of these associations who are at the same time insured against accidents (according to the new accident insurance bill) and are disabled in consequence of an industrial accident, are entitled to benefits from the day of the accident not to exceed 13 weeks. This obligation does not rest upon the sick benefit association when the injured person is not insured against accidents, but is covered by the law of June 2 (15), 1903, which entitles the injured person to receive



such benefits directly from the employer. If the injured person is neither insured against accident nor covered by the old law of 1903, he is entitled to receive his benefits from the associations on the same conditions as any other sick member.

The extension of the length of care supplied by the sickness association to the injured person from 6 to 13 weeks is the most important modification suggested in the last draft. It must be remembered that of all accidents, according to the statistical data for 1904, only 4 per cent required treatment for over 13 weeks, while 85 per cent required treatment for 6 weeks or less, so that an additional burden of 11 per cent of the accidents is thrown upon the sick insurance associations. The actual additional burden must be measured by a somewhat different method. Out of a total of 1,135,491 sick days for which treatment was granted in 1904, the accidents requiring treatment for not over 6 weeks claimed 550,695 days, or 48 per cent. To this must be added the first 6 weeks of treatment for all other cases, which amounted to 276,948 days, the total being 827,643, or 73 per cent. The treatment of cases lasting over 6 weeks but not over 13 weeks would impose an additional duty of 271,994 days, or 24 per cent, or about one-third of that of handling the cases lasting under 6 weeks.

Maternity benefits paid by the associations must be from one-half to two-thirds of the daily earnings. They are to be paid for four weeks from the day of confinement, and are paid only when the woman has belonged to some sick insurance association for three months previous to childbirth. To enforce the hygienic advantage of these maternity benefits, the associations are permitted to withhold them from women who return to hired labor before the expiration of four weeks.

The funeral expenses paid by the sick benefit associations must equal twenty to thirty times the daily earnings of the deceased. To simplify and accelerate the payment of such expenses in cases of death from accidents, the sick benefit associations make such payments, but as this obligation rests upon the accident insurance associations, the latter reimburse the sick benefit associations.

In all these benefits the payments are computed on the same basis of daily earnings as their contributions. The actual rates of benefits within the limits established by the law are determined by the association, in general meeting, for a year in advance. A few additional limitations are permitted to the association. Thus single members may be deprived of benefits altogether or receive smaller amounts than the legal minimum when they are being treated in a hospital at the expense either of the association or of any other third party; benefits may begin before the fourth day of sickness; they may be paid for holidays; a certain length of membership not exceeding two weeks may be required before the right to receive benefits is acquired (in



case of voluntary members no benefits must be paid within the first week of membership); members who do not comply with the rules of the associations or who disobey the physician's order may be deprived of their benefits, wholly or in part, and may be fined not to exceed 3 rubles (\$1.55) for each offense.

In addition to these obligatory benefits the associations may extend their activity to the members of the workmen's families. Any or all of the benefit features may be extended, as sickness, death, or childbirth in the workman's family often seriously affects his economic status. The amounts of such additional benefits must be definitely stated in the constitution of the association, and in no case must the expenditure for such additional benefits exceed one-third of the expenditure for the required benefits.

The revenues of the funds are to be derived from the same sources as in all the preceding plans of sickness insurance; primarily they consist of periodic contributions from the employees and employers, to which are added the following minor sources of revenue: Income from property and investments, voluntary contributions, fines and penalties imposed in accordance with the laws by the establishments and by the sick benefit funds, and miscellaneous revenues. Of these secondary sources the fines and penalties of the establishments are the most important ones, but these are decreasing.

The actual rate of the employees' contributions are determined by the association in general meeting, but must not be less than 1 nor more than 2 per cent of the earnings. Associations with less than 400 members may increase the rate to 3 per cent. While the maximum yearly salary of persons required to join the association is 1,500 rubles (\$773), or over 5 rubles (\$2.57½) per day, for the purposes of computing the contribution as well as the benefits the maximum earnings are put at 2 rubles (\$1.03) per day. The contribution of the employer is two-thirds that of the employees.

The above limits of the contributions of the employees and employers were established upon calculations based upon German sickness statistics, no such material for Russia being available. According to these data there are about 36 cases of sickness per 100 employees, and the average duration of each case of sickness is 40 days. This gives 1,440 days of sickness for 100 employees, or 14.4 days per employee. Taking the average number of working days to be 280, one-twentieth of it seems to be lost because of sickness. With a sick benefit varying from one-fourth to two-thirds of the wages, the cost of the benefits equals from 1½ to 3½ per cent of the wages. As the employee contributes three-fifths and the employer two-fifths of the charges (disregarding the minor sources of revenue), the employee's contribution must be from three-fourths of 1 per cent to 2 per cent,

and that of the employer from one-half of 1 per cent to  $1\frac{1}{2}$  per cent of the wages.

The miners' funds of many mining and metallurgical establishments in the Polish provinces require equal contributions from both parties, and by the proposals of 1905 and 1906 the employer was supposed to contribute one-half as much as the workman. The increase from one-half to two-thirds is somewhat compensated by the extension of the care of injured employees from 6 weeks to 13 weeks. The entire cost of medical treatment of all cases of sickness is paid by the employer. Voluntary members of the sick benefit associations pay all the cost of their insurance.

The financial organization is identical with that proposed in the draft of 1906. The association is required to have two funds, the general (operating) fund and the reserve. The contributions of the employers and employees, the revenue from property and investments, and the miscellaneous revenues are paid into the general fund. The remaining revenues are paid into the reserve. If at the time of the organization of the sick benefit association the establishment has a fine fund, this is turned over to the reserve. In addition annual contributions of from 5 per cent to 10 per cent of the payments of employers and employees, according to the constitution of the association, and also the annual surplus, are turned into the reserve. The contributions must be paid until the reserve is equal to the expenses of the association for the preceding two years, and they are renewed as soon as the reserve falls below that level. Voluntary contributions are disposed of according to their designations, in absence of which they go into the reserve.

Current expenditures are paid from the operating funds, and the reserve is used when the operating fund is exhausted. The reserve is intended to give stability to the financial status of the association and to save it from insolvency in case of an unexpectedly increased demand, such as an epidemic or a catastrophe involving many employees. It is further provided that when more than one-half of the reserve on hand in the beginning of the year has been spent, a general meeting of the association must be called for the purpose of adjusting the finances, either by increasing the contributions or by reducing the benefits within the limits established by the law, or by other means not contrary to the law.

In case of temporary embarrassment of the fund the employer must advance the necessary money as a noninterest-bearing loan, and if there are several employers united in one association this loan is distributed among them according to their respective contributions. To prevent the association from assuming excessive indebtedness, such loans are limited to a sum equal to the revenues for three

months. All revenues of the association must be used in liquidating this loan before any payments are made into the reserve.

In case permanent increase of dues becomes necessary the association, in general meeting, may raise the contributions of the employers and employees above the normal limits; but the same proportion of 2 to 3 must be preserved, and the employer's share must not exceed 2 per cent of the employee's wages. To be effective this measure requires the approval of the local labor insurance commission. If the sick benefit association should fail to take such steps as are here outlined the commission may order them on its own initiative. What further measures should be taken, if after all this is done the revenues of the association still remain insufficient, is not indicated in the law except in the provisions about the liquidation of the association. The provision of the plan of 1906, that the employer meet the excess of the charges on the association above the regular revenue, has been eliminated from the bill. On the other hand, the reduction of the contributions of the employers and employees below the legal minimum is permitted whenever the reserve exceeds the required limit.

Self-government is limited by the rights of the employers and by governmental control and regulations. The organs of administration are the general committee and the board of directors. The members of the general committee are selected by and from the general membership of the association. The number of such committeemen shall not exceed 100, and when several establishments are united in one association the number of committeemen must be proportioned to the number of members in the association. An important provision makes the chairman of the general committee, with a casting vote in case of a tie, a representative of the employer, or of the employers by mutual agreement. The employer and members of the association may appeal from the decisions of the general committee to the local labor insurance commission. The executive work of the association is performed by the board of directors, consisting of an odd number, partly elected by the membership of the association and partly appointed by the employer or employers, for a period of three years; the number of the elected directors exceeding that of the appointed, by one. The appointed directors need not be members of the association, and no qualifications are stated. The elected directors must be members of the association, of either sex, not under 25 years of age, never convicted of crime or for avoidance of military duty, not bankrupt, not under indictment, nor under police supervision, etc. Committeemen and directors may absent themselves from work for the purpose of attending to their official duties and may not be fined or discharged for such absence. The directors may be paid a compensation, if provided by the constitution. The board selects its chairman and vice chairman

from its membership, though the constitution may provide that the chairmanship shall be intrusted to the employer or his representative.

The executive work performed by the board includes the determination of the sickness, the calculation of the earnings of the members, and the granting of all benefits. Its decisions may be appealed to the general committee. It prepares the annual financial report, which must be audited by a special auditing committee and, after approval by the general committee, be forwarded to the local labor insurance commission. The general committee may at any time order an auditing of the finances, begin proceedings for removal of the directors, or bring criminal charges for malfeasance in office. The functions of a treasurer are intrusted to the employer, or where there is more than one to one of the employers selected by them. He keeps the funds, cash as well as securities, and may turn them over for safe deposit to a credit institution, the cost being charged to the association. The funds necessary for current expenses must be invested in government or other bonds designated by the Government. All payments due from employees are retained by the employers from the pay and paid together with the contributions of the employers, and for failure to do so the employers become personally liable for the amount and are fined to the extent of 1 per cent for each month of delay.

If the work of a manufacturing establishment is temporarily suspended the association may also temporarily suspend its activity without going into liquidation, and the property and books of the association are to be kept in accordance with regulations contained in the constitution. If the establishment goes out of business, the association must wind up its affairs, and after all obligations have been paid the assets are to be paid into the imperial funds existing for manufacturing industry and for the mining industry. If one association is joined to another because of decrease in its membership, the assets are transferred to the latter association. One association may be joined to another by the local labor insurance commission if it is unable to straighten out its financial difficulties, or is threatened with insolvency. If the action of an association is judged to be contrary to public peace and order it may be closed and liquidated upon approval of the labor insurance council.

The associations are directly subject to the control of the local labor insurance commissions, which have only a small representation of employers and employees. Above these stands the central labor insurance council.

The local commission has the final decision in the questions of organization of individual or joint associations; it may relieve any employer from the obligations of the law, but an appeal may be taken

to the council. The commission approves the constitutions and may order changes. It keeps a list of associations existing under its jurisdiction. It may order the liquidation of a fund (with the approval of the council) or join one fund to another. It must approve and may order an increase of the contributions over that established by the law. It may hear appeals and cancel any resolution adopted by the general committee of an association. If the general meeting or the board votes a sum of money which seems to the employer (who acts as treasurer) contrary to the law or constitution, he may appeal to the commission within three days.

The auditing and revision of the accounts may be undertaken by the factory inspectors on their own initiative, by orders of the commission or by the civil governor through his agents. The results are reported to the civil governor, who forwards them to the commission, of which he is a member, for consideration and action. When actions contrary to the law or the constitution are discovered, the commission orders the correction of such actions within a specified time, and it may remove the chairman or the board of directors for the same. The civil governor has authority to remove the chairman or the directors, not only for actions contrary to the law or the constitution, but also for acts contrary to public peace and safety, reporting such action to the commission within two weeks. The vacancies thus created must be filled in the same order as the original officers were elected, and if these offices are not filled within a specified time the commission may temporarily intrust the administration of the association to the employer or to a person designated by him.

#### OLD-AGE AND INVALIDITY INSURANCE.

What has been done in Russia to establish old-age and invalid pensions through legislation is almost exclusively limited to government employees. But in view of the many industrial and commercial enterprises owned and operated by the Russian Government this field is not an inconsiderable one, including as it does most of the railroads, many mines and metallurgical establishments, printing offices, and navy yards. Efforts for protection of employees against old age have also been made by the provincial governments (*zemstvos*), but these concern professional employees mainly. As against these public employees, workmen in private establishments, except railroad employees, have hardly been provided for at all through legislation, and private efforts are almost as meager.

The earliest pension legislation dates back to the time of Peter the Great, but was intended for navy employees only. It was enacted on January 13 (24), 1720. On June 9 (20), 1728, that legislation was extended to the army. The first pension act referring to industrial employees was promulgated October 28 (November 8), 1738, and



applied to some state factories. All this legislation included only cases due to invalidism or total disability caused by sickness. In reorganizing the system of army pensions, Katherine II was the first to introduce the old-age pension for a definite length of service. On June 22 (July 3), 1797, old-age pensions for workmen employed in the state mines of the Kolyvan-Voskresensk mining district were introduced, to be paid after twenty-five years of service, and on March 9 (21), 1804, these pensions were extended to the employees of the state factories at Olonetz. A general pension law for military and civil employees was promulgated on December 6 (18), 1827, which, with minor modifications, is now in force.

The modern era in the history of pensions on an insurance basis for the industrial employees of the Government begins with the act of March 8 (20), 1861, establishing the miners' fraternities in the state mines and metallurgical establishments, already mentioned in connection with sickness insurance. Their activity was insignificant until the issue of the temporary regulations of April 9 (21), 1881. They were reorganized by the law of May 26 (June 7), 1893. The establishment of pension funds for employees of private railroad companies was ordered by the law of May 30 (June 11), 1888. On June 3 (15), 1894, a law was approved providing for old-age pensions for the employees of the state railroads. This was extended and amended by the law of June 2 (15), 1903 (the same date as the workmen's compensation act for factories, mines, and metallurgical establishments), which is now in force. The employees of the government printing office were provided with a pension fund by the law of June 3 (15), 1894. On January 1 (13), 1900, a pension fund was established for the vast army of employees of the government spirit monopoly. On January 27 (February 9), 1903, a law was passed, and amended on April 18 (March 1), 1903, ordering the establishment of pension funds in all the industrial establishments of the ministry of the navy. In the two largest of these factories in St. Petersburg such funds have existed since 1898.

#### STATE MINERS' BROTHERHOODS.

The pensions system for employees of the state mining and metallurgical establishments was the first important and systematic effort in Russia to provide old-age and invalid pensions for industrial employees, though the number of workmen affected by it did not exceed 25,000. Its organization dates back to 1861, though the activity was insignificant for twenty years. Before the emancipation of the serfs in 1861, the state mines and metallurgical establishments utilized enforced labor. The law of March 8 (20), 1861, which changed the condition of the labor contract, also ordered the establishment of employees' brotherhoods (*tovarishchestvo*). The func-



tions of the brotherhood were very broad and included care for the workers in case of sickness, old age, or disability because of accidents, provision for their widows and orphans, improvement of the morals of the working population, and furtherance of amicable relations between the workers and the administration. The latter was required to further the ends of the brotherhood by establishing free schools and hospitals, employing physicians, and subsidizing the relief funds which were ordered to be established in connection with each brotherhood.

The minister of finance, under whose jurisdiction the state miners were prior to 1873, was ordered to issue detailed regulations in regard to the activity of these relief funds, but none were issued for some 20 years, and great variety existed in these funds before that time. On April 8 (2) 1881, i. e., about eight years after these miners had been transferred to the Ministry of State Domains, temporary regulations were promulgated; they were confirmed and made permanent on May 26 (June 7), 1893, and are still in force.

The relief funds of these brotherhoods combine the functions of a pension fund, sick relief fund, funeral benefit society, and savings and loan association. The sick relief activity of the funds has already been mentioned in connection with the subject of sickness insurance. Pensions to superannuated or invalid members of the brotherhood, their widows, and children represent the most important branch of this activity.

The regulations governing these benefit funds, as adopted in 1881 and slightly modified in 1893, are as follows:<sup>(a)</sup>

All workers and office employees over 18 years of age who are engaged for at least a year are members of the brotherhood and of the relief fund. With other employees membership is optional.

The sources of income of the fund, established by the law of 1861, consist of (1) deductions from the earnings, 2 to 3 per cent (all funds except one making deductions of only 2 per cent), (2) contributions from the establishment equal to the total sum of deductions from the workers' earnings, (3) fines imposed upon the employees, and (4) other accidental sources. In cases of necessity the general fund of the brotherhood may be called upon to furnish the necessary sums.

Full old-age pensions are granted after thirty-five years of employment and amount to one-half the average wages or salary for the entire period. In a few occupations the harmful nature of the work is taken into consideration in shortening this period. Thus each year spent in dry grinding of steel blades counts for three years of

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(a) *Otvietstvennost predprimateliei za uviechia i smert rabochikh*, V. P. Litwinov-Falinskii, 1900, p. 264. *Kassy Gornorabochikh*, G. Th. Tigranov, 1896, p. 9.

service. But pensions of smaller amounts must be granted when the employee is incapacitated for continuing in employment on account of old age, invalidity, chronic diseases, or injuries sustained. Under any of these circumstances the pensions amount as follows: After ten and less than fifteen years of employment, one-sixth of the average wages; after fifteen and less than twenty years of employment, one-fifth; after twenty and less than twenty-five years, one-fourth; after twenty-five and less than thirty years, one-third; and after twenty to thirty-five years of employment, one-half of the average annual earnings.

In case of death the widow having no children under 16 years of age receives until death or remarriage one-third of the pension to which the husband would have been entitled. If she has one child under 16 years of age she receives one-sixth additional, i. e., one-half of the husband's pension. If she has two or more children under 16 years of age she receives an additional one-third, or two-thirds of the pension altogether. If the widow is incapacitated for work she may receive a pension up to one-half of her husband's pension. An orphan under 16 years of age receives one-third of his father's pension; two or more orphans receive two-thirds of the pension. The same rates apply to children of a deceased employee whose mother does not receive any pension either because of remarriage or admission to a convent. Orphans may receive pensions even if the father had not been employed long enough to entitle him to one. When incapacitated for work children receive pensions for life, otherwise only until the completion of the sixteenth year. In case of transfer from one state establishment to another, the years of service in the former establishment are counted; the pensions are paid by the fund of the last establishment, and the accounts settled among all the funds concerned.

The fund takes charge of the cases of sickness after the expiration of two months, during which medical aid and financial assistance are supplied by the management of the establishments, the fund meeting the cost of treatment and paying benefits equal to those paid during the first two months, namely, to the single man or widower with dependent relatives, one-third of his wages, to the married man without children, one-half of his wages, and to the married man with children, two-thirds of his wages.

If an employee is dismissed because of disability due to poor health before having earned a pension, he receives a lump sum, which must not exceed one-eighth of his annual earnings. In case of death his widow may receive a sum equal to one-half the benefit he would receive, and if he leaves a widow with children under 16 years of age, or children without a mother, they receive three-fourths

of that sum. Other benefits may be granted in cases of great need not to exceed one month's earnings, if approved in each case by the general members' meeting.

The fund is also authorized to receive savings of the members, for which it may pay interest not to exceed 4 per cent per annum, and grant loans from its free funds, upon which it must charge a higher rate of interest than it pays upon the deposits of savings.

The administration of the affairs of the funds and the brotherhoods is intrusted to the general meetings of members and a council (*prikaz*) consisting of a chairman appointed by the administrators and four members elected by the membership. Thus the management of the funds is practically in the hands of the membership.

The financial organization is not based upon scientific computations, the premiums and pensions being entirely independent of each other. The reserves of the funds have been rapidly accumulating, but as the largest pensions are not due until after 35 years' membership in the funds, they evidently have not yet been called upon to meet their heaviest obligations. The accumulations of all the funds on January 1 (13), 1881, amounted to 396,344 rubles (\$204,117); on January 1, 1887, to 660,268 rubles (\$340,038); on January 1, 1895, to 1,130,139 rubles (\$582,022); and on January 1, 1907, to 2,042,762 rubles (\$1,052,022).

The length of service of the membership of these funds is shown in the following table:

MEMBERSHIP OF THE STATE MINERS' BROTHERHOODS ON JANUARY 1, 1907, BY LENGTH OF SERVICE.

[Source: Ministerstvo Torgovli i Promyshlennosti. Ob obespechneni rabochikh na sluchai bollezní.]

Length of service.	Members.	
	Number.	Per cent.
Under 10 years.....	14,330	73.2
10 and under 15 years.....	2,183	11.2
15 and under 20 years.....	1,254	6.4
20 and under 25 years.....	1,027	5.2
25 and under 30 years.....	417	2.1
30 and under 35 years.....	325	1.7
35 years and over.....	44	.2
Total.....	19,589	100.0

The figures in the next table indicate that a large number of employees avail themselves of the partial pensions after 10 years of employment. The number of pensioners on January 1, 1907, was 3,399, who received an aggregate pension of \$61,574 annually, or \$18.12 per annum. According to the relation of the pension to earnings, these 3,399 pensioners were distributed as follows:

## NUMBER AND PER CENT OF PENSIONERS AND TOTAL AND AVERAGE PENSIONS PAID BY THE STATE MINERS' BROTHERHOODS ON JANUARY 1, 1907, BY RATE OF PENSION PAID.

[Source: Ministerstvo Torgovli i Promyshlennosti. Ob obespechneni rabochikh na sluchai bollezni.]

Rate of pension.	Pensioners.		Pensions.	
	Number.	Per cent.	Total amount.	Average per annum.
One-sixth of the wages.....	889	28.2	\$8,839	\$9.94
One-fifth of the wages.....	779	22.9	10,219	13.12
One-fourth of the wages.....	538	15.8	7,806	14.51
One-third of the wages.....	518	15.2	10,001	19.31
One-half of the wages.....	705	20.8	24,709	35.05
Total.....	3,399	100.0	61,574	18.12

\* This total is not the correct sum of the items; the figures are quoted as found in the original report.

The total income of these funds amounted in 1906 to 293,378 rubles (\$151,090), of which 109,915 rubles (\$56,606), or 37.5 per cent, were contributed by the members; 95,410 rubles (\$49,136), or 32.5 per cent, by the management of the mines and factories; the interest on investments was 52,662 rubles (\$27,121), or 17.9 per cent; interest on loans 23,987 rubles (\$12,354), or 8.2 per cent, and miscellaneous revenues amounted to 11,404 rubles (\$5,873), or 3.9 per cent. The expenditures for the same year amounted to 193,032 rubles (\$99,411), of which the larger share was spent for pensions, 108,696 rubles (\$55,978) or 56.3 per cent; of this sum, 80,560 rubles (\$41,488), or 41.7 per cent, was paid to members of the brotherhood and 28,136 rubles (\$14,490), or 14.6 per cent, for pensions to widows and orphans. Temporary benefits for sickness claimed 59,986 rubles (\$30,893), of which only a small share, 7,646 rubles (\$3,938), was used for medical help, as the law grants such necessary help to the employees gratuitously. Miscellaneous expenses amounted to 24,350 rubles (\$12,540).

The loan operations of the brotherhood are considerable; 637,498 rubles (\$328,311) were loaned in one year, and 628,149 rubles (\$323,497) were repaid. The savings deposits were very much smaller, 14,980 rubles (\$7,715), and the withdrawals, 13,110 rubles (\$6,752), nearly equaled that sum.

## RAILROAD EMPLOYEES' PENSION FUNDS.

The army of railroad employees, which is rapidly growing in Russia, has been enjoying for the last two decades a better provision for old-age and invalidity insurance than any other body of workmen and salaried employees in Russia. This is particularly true of the state railway employees; and as the Russian Government owns and operates over two-thirds of the entire railway system of the country, the vast majority of the railway employees enjoys the benefits of the system. But pension funds are obligatory for the private railway

employers as well. The law demanding the establishment of such pension funds by the private railway companies was passed on May 30 (June 11), 1888, six years before the law of June 3 (15), 1894, establishing the central pension fund for the state railway employees.

The following table shows the development of state and private railways in Russia from 1880 to 1905:

MILEAGE OF STATE AND PRIVATE RAILWAYS IN RUSSIA, 1880 TO 1905.

[Source: Ministerstvo Putel Soobshchenia. Otdel Statistiki i Kartografi. Statisticheskii sbornik ministerstva putel soobshchenia. Vypusk, 1—90.]

Year.	State railways.		Private railways.		Total miles of railway.
	Miles.	Per cent of total.	Miles.	Per cent of total.	
1880.....	43	0.32	13,571	99.68	13,614
1885.....	2,086	12.98	13,990	87.02	16,076
1890.....	6,196	32.71	12,744	67.29	18,940
1895.....	14,429	62.98	8,480	37.02	22,909
1900.....	22,407	68.03	10,529	31.97	32,936
1905.....	25,618	69.50	11,241	30.50	36,859

The first pension fund for railroad employees was established as early as 1858 on the Warsaw-Vienna Railway. Other private companies established funds within the next decade. By 1880 such pension funds existed in 14 lines operating over 5,500 versts (3,646 miles), which was nearly one-third of the railway mileage in Russia.

These pension funds were not based upon strict insurance principles. They were based upon length of service of the member and his salary at the time of separation from the service, and were to be paid to the members of the fund, their widows and orphans. There was little effort toward adjustment of the revenues and obligations of the funds, and this lack of adjustment very soon became noticeable, so that many of these funds went into liquidation, while in other cases such liquidation was forced upon them by the order of the Government.

The first effort to form a pension fund on strict scientific insurance principles was made in 1877 by the Kiew-Brest line, now a part of the Southwestern Railway System. Two smaller railway companies organized similar funds in 1885. Other railways desired to follow this example, but were hampered by the lack of scientific statistical data upon which to base their rates. The Ministry of Ways of Communication decided to elaborate a plan for one central pension fund for all private railroads. In 1881 a plan was presented by the ministry, but met the opposition of the minister of finance, who pointed out that a uniform system for all railroads might prove too heavy a financial burden for the less prosperous roads, and because of the guarantee of the interest on bonds and the dividends by the state treasury, indirectly a burden upon the latter. The minister

therefore suggested that the Government limit itself to issuing general rules in regard to establishment of individual pension funds.

In view of this attitude of the Ministry of Finance, the plan for a central pension fund was abandoned, and the Ministry of Ways of Communication applied itself to the elaboration of plans for individual pension funds for each railroad company. It was felt at the very beginning that many of the railroad companies were too small to have their own pension fund, since with the small number of employees it would be difficult to apply any annuity tables. It was decided therefore to permit the organization of a "saving and relief fund" where a pension fund was not practicable, and two separate drafts were prepared for these two types of organizations. They were presented to the State Council on December 22, 1887 (January 3, 1888), and were approved by the Emperor on May 30 (June 11), 1888. By a decree of the same date each private railway company is required to establish either a pension or savings fund; the pension fund is considered preferable, but the organization of a savings fund may be permitted, under special circumstances, by the imperial authority on recommendation of the Ministry of Ways of Communication. These funds are required to be organized in conformity with the standard rules approved on the same date, and the existing funds must be reorganized to conform with them. Each fund was required to have its own constitution and by-laws, provided they were in agreement with the "general rules" and approved by the ministry.

The general provisions for the establishment of the funds of either type may be thus briefly summarized: The basis of both funds consists of enforced savings of the employees, 6 per cent of the wages, 10 per cent of the premiums given to the employee for efficient service, and after each promotion in salary, the entire excess of the new over the old salary for three months; and additional payments from the funds of the railway company, not to exceed 50 per cent of the employees' contributions, both of which are credited to the individual accounts of the members, and in addition various other minor sources of income. From these credits benefits are granted to the members at the time of their separation from the service, or in case of their death while in service, to the widow and orphans. In the case of the savings and relief funds the benefits are in the form of a lump sum; in the case of the pension funds the benefits may be either in the nature of lump sums or in the form of pensions (annuities), depending upon the length of service or conditions of separation. The amount of the benefits, whether lump sums or pensions, depends upon the length of the service, the degree of disability, and also the amount credited to the employee in the fund, while in addition to that, in the case of pensions, the age affecting the probability of life of the pensioner is also taken into consideration.



## PRIVATE RAILROAD PENSION FUNDS.

These funds may be established either by one railway company or by several companies combining for that purpose. The constitution and by-laws of each fund must be prepared by the board of directors of the railway company, adopted by the stockholders' meeting, and then forwarded to the minister of ways and communication for his approval in conjunction with the minister of finance and the state comptroller.

All persons permanently employed by the railway company, except the officers, are required to join the pension fund. Out of a total of 711,922 employees of the railroads (both state and privately owned) of Russia in 1904, 287,968, or 40.4 per cent, were common day laborers, 37,397, or 5.3 per cent, temporary employees, and 386,557, or 54.3 per cent, permanent employees.

The sources of revenue of the pension funds are as follows:

Contributions of the members, namely, entrance fees deducted from the salaries of employees at the time of their appointment, the amount to be determined by the constitution of each fund; monthly deductions of 6 per cent from the earnings of the employees, no salary being considered as above 2,400 rubles (\$1,236) for the purpose of this provision; 10 per cent deductions from the special premiums and awards granted; in case of increases of salaries, the difference between the new and old salary for the period of three months; and additional voluntary payments of the members.

The contributions from the railway company, namely, penalties imposed upon the employees by the company; net income from the sale of unclaimed baggage and freight after deducting the accrued railway charges; payments from the railway company due to its employees and unclaimed for 10 years.

The other sources of the fund proper are as follows: Interest on deposits and investments; profits from financial operation; money owed by the fund to its members or their families and unclaimed for 10 years; voluntary contributions and accidental revenues. In addition the railway company may transfer to the pension fund the following sources of revenue: Interest upon advance payments of salary and loans made by the railway company to its employees; rentals for right of placing advertising matter, and selling newspapers and books in the railway stations; and the unclaimed dividends on stocks and interest on bonds of the railway company. In addition the minister of ways of communication, in conjunction with the minister of finance and the state comptroller may require, if they judge it necessary, that the railway company pay to the fund monthly contributions not in excess of one-half the total income from the 6 per cent monthly contribution of the employees.

The income of the pension fund from these numerous sources is to be distributed as follows:

The entrance fees, monthly contributions, 10 per cent award deductions, and promotion deductions are all credited to the individual accounts of the members and their wives. The income from sale of baggage and freight, from the advertising and newspaper privileges, and the monthly contributions of the railway company are also thus distributed, provided, however, that the trainmen members be given a larger share than the other employees, that part of this contribution be used to guarantee the widows' share, and that part of these contributions may be diverted to the orphans' fund (to be spoken of presently) if the income of that fund be found insufficient. The income from additional payments of members and voluntary contributions must be distributed according to the wishes of the persons making them, or in absence of any instructions, according to the provisions of the preceding section. The income from interest on investments remains in the fund to which the investments belonged. The income from unclaimed obligations of the pension fund, penalties, interest upon advance payments and salaries, unclaimed payments of railroad companies, and unclaimed interest and dividends goes to form a special orphans' pension and relief fund. Profits from financial operations must be credited to a reserve until it reaches a certain limit established in the by-laws, and the excess in the reserve may be distributed among the individual accounts.

Both the members of the pension funds and their families (wives and children) acquire the right to pensions or lump-sum benefits. The actual amounts of either were not named in the law of 1888 as their determination was left to the individual funds on the basis of pension tables to be elaborated later.

Three classes of pensions were recognized, ordinary, increased pensions in case of disability, and pensions for injured employees. The ordinary and increased pensions must be determined with consideration of the following factors: The amount credited to the pensioner's account, his age at entering the railroad service, the length of service, the normal rate of growth of capital, the mortuary tables for railroad employees, members of families of railroad employers, and the conditions of loss of earning ability.

The right to the "ordinary pension" at separation from service is obtained after fifteen years' of service and membership in the fund. The maximum pension, with regard to the accumulated credits, is obtained after thirty years of service, provided the employee is not under 55 years of age (in case of trainmen 50 years). This pension is to be paid without regard to the continuance in the service or separation from it. After receiving such a pension the employee is relieved from membership in the fund and relieved from any payments.

A member of the fund suffering from total disability as a result of a grave and incurable disease requiring constant attendance and help, after ten years of employment and membership in the fund acquires a right to an "increased pension." In case of disability caused by injury in performance of duty the employee shall receive a pension independent of the length of time in service; this pension for injury to be of greater amount when disability to earn a living is complete, and of a smaller amount when the injured person is disabled only for continuance in railroad service. The excess of the value of pension for injury over that of the pension or lump sum to which the employee would have been entitled had he left the service on account of sickness must be paid by the railroad company to the fund. Both sickness and injury must be certified to after medical examination, and the officials of this fund may demand reexamination annually. All pensions are paid until death, recovery from disability, or loss of civil rights in consequence of a judicial sentence.

If the member be separated from the service before earning a pension, either on account of sickness or because the position is abolished, he is to receive in a lump-sum payment the total amount accruing to his credit; when the separation is induced by other causes only the amount of his own contributions to the fund is returned to him. When the separation, due to the causes last mentioned, occurred after ten years of service, the constitution of the fund may provide for paying out a definite part of the additional amounts accruing to his credit.

As stated above, not only the employee himself, but his widow and children have a right to a pension, so that the fund may be said to provide not only for old-age and invalidity insurance, but is a true pension fund. The rights of the family are created by the death of the member or the pensioner of the fund, loss of civil rights in consequence of a judicial sentence, or unexplained absence (disappearance) for over one year. In the text following the term "widow" is intended to include the wives of men of these two classes. A pension must be paid to the widow of each pensioner and employee who had been in service at least five years. The amount of the pension is to be determined by the by-laws in accordance with the ages of both the employee and his widow, and the amount of savings.

This pension is paid to the widow until death, loss of civil rights, remarriage, or the return of the husband from unexplained absence. When a widow with children remarries, her pension is transferred to the latter.

If the deceased had been in service less than five years the widow is to receive in a lump sum all the money credited to her, including not only the payments of the deceased, but all other additional credits.

In case of death of an employee receiving a pension for injury, his widow is entitled to one-half his pension if this amount is greater than the widow's normal pension to which she would have been otherwise entitled. When such an increased pension is granted the railroad company must compensate the pension fund for the computed value of the excess of this increased pension over the widow's normal pension or the widow's lump-sum compensation.

The children and the widow of a member of the fund who had been in service ten years, or of a pensioner, acquire a right to a pension under identically the same conditions. The amount of the children's pension must depend upon the salary or the pension of the parent, but not upon the amount of the accumulation. When both parents of an orphan have been members of the pension fund the orphans receive a larger pension. The children's pension is paid until the age of 18, except in cases of marriage before that age, loss of civil rights, or the return of the parent from unexplained absence. When the children are attending some secondary school they may receive a pension until graduation, but not after the completion of the twentieth year of age.

Children of an employee who had been in service less than ten years may be granted assistance in the form of a lump sum if the constitution of the fund so provides in accordance with the earnings of the parent and the means at the disposal of the fund.

The administration of the pension fund must be placed in the hands of the committee, which is subject to the administration of the railroad company. The company appoints one-half of the members of that committee and the membership elects the other half, while the president of the road is chairman of the committee. The cost of administration is met by the fund, and the salaries and other expenses must be approved by the railroad company. The current work is conducted by a paid secretary, who is appointed by the railroad company. While the questions before the committee are decided by a majority, and the chairman votes only in case of a tie, nevertheless there are other provisions which greatly magnify the influence of the railroad company at the expense of the elective representatives of the membership. Thus, if the chairman or all the appointed members of the committee present do not agree with the decision of the committee, the question must come for reconsideration before the board of directors of the railway company. The same holds true even if the committee forms a decision contrary to the opinion of the paid secretary in cases dealing with computation of pensions and awards.

The annual reports of the pension funds must be presented to the management of the railway company and by the latter to the Ministry

of Ways of Communication. The general supervision of the funds is vested in the latter ministry. Annually an account is taken of the finances of the funds for the purposes of determining whether the means are sufficient to cover the cost of accrued obligation computed according to the statistical tables embodied in the constitution.

It is evident that by this act only the general outline of the system of pensions is given. For the actual determination of the pension statistical data were lacking, therefore the enforcement of the act was postponed until such data would be available and their preparation was intrusted to a well-known mathematician, who had organized a pension fund for one of the largest private railway systems. This work was completed in about two years, and published in the end of 1890. However, by the decree of December 22, 1889 (January 3, 1890), the deductions from the salaries were ordered to begin on January 1 (13), 1890.

#### SAVINGS AND RELIEF FUNDS.

The organization of the savings and relief funds was considerably simpler. The conditions of membership are the same; also the sources of revenue (except that there are no initiation fees) and the system of administration. The differences are mainly in the substitution of lump-sum payments for pensions and in the method of distribution of the income from various sources.

In general the organization is as follows: Three funds recognized in each association—the savings fund, the general relief fund, and the special relief fund. Into the savings fund are paid those revenues which are contributed by the members directly; namely, the monthly deductions, the deductions from premiums, and the differences of salaries in cases of promotion; also additional voluntary payments, private contributions to this fund, and the interest and profits upon investments and operation of the fund.

The amount credited to each member in this fund is paid to him at the time of separation from the service; in case of death, to the beneficiary named by him or to his legal heirs.

Into the general relief fund are paid: The monthly contributions of the railway company, determined by the Ministry of Ways of Communication in conjunction with the minister of finance and the state comptroller, but not over 50 per cent of the monthly contributions by the membership, these being made simultaneously with the deductions from salaries and distributed proportionately to these deductions; the net proceeds from sale of unclaimed baggage or freight, computed annually and distributed proportionately to the annual deductions; interest and profits from investments and operations of the fund; special private contributions to this fund. These minor



revenues are distributed proportionately to the total accumulations of members in this fund. When the separation from the service takes place after ten years, the member receives 50 per cent of the amount credited to him in this general relief fund, and additional 5 per cent for each additional year of service, so that after twenty years of service the member receives the whole sum in this relief fund. The employees of the train service are entitled to 51 per cent of their credits after eight years and 7 per cent additional for each additional year, with the total credits after fifteen years of service. If the employee is dismissed from the service because of sickness or an injury, which disables him from further service, or because his position is abolished, he receives the total amount credited to him in the general relief fund without regard to the length of service. In case of death of the member the amount to his credit in the general benefit fund is paid over to his widow, or, if no widow remains, to his children; if neither widow nor child remains, the amount is distributed among the accounts of the other members of the fund.

Into the "special relief fund" are paid the fines collected, moneys due from the associations and unclaimed for ten years, salaries due to employees of the company and unclaimed for ten years, interest and profits, and the following three sources, at the option of the company: Interest on advances and loans to the employees, unclaimed dividends and interest on bonds, and rentals for the advertising and bookselling privileges in the stations. These revenues of the special benefit fund are not distributed among the members' accounts.

From this fund lump sum or annual benefits may be granted to an employee dismissed because of an injury or grave and incurable disease and unable to get along without some assistance. These benefits are additional to and independent of the payments from the savings fund and general benefit fund.

Benefits are also granted from this fund to children below 18 years of age of a deceased member, or of one dismissed because of injury or incurable disease, resulting in total disability and helplessness. These benefits consist of one lump-sum payment when the member had been employed less than eight years, and annual payments if he had been employed over eight years. In case of children attending a secondary school the benefits may be continued until the age of 20. The amounts of these benefits must be determined by the constitution and by-laws, taking into consideration all the conditions of the deceased parent's service and also the available means of the special benefit fund.

When both parents have been members of the fund, the continuance of one in the service does not interfere with the rights of the children for such additional benefits.



## PENSION FUND OF THE STATE RAILWAYS.

With the rapid nationalization of the private railroads the question of pensions for the employees of the State grew in importance. In compliance with the law of May 30, 1888, pension funds were organized by fourteen railway companies and savings funds by seven companies, but most of these railway systems were soon bought by the Government and it assumed the obligations of the pension fund. It was the almost unanimous opinion of all the important officials connected with the operation of the state railways that one general fund for all state railway employees was preferable to separate funds for separate railways. A special commission was appointed for the consideration of this problem in 1889, but it soon found it necessary to suspend its activities because of absence of statistical data. After the publication of this data in 1890, another commission was appointed in 1892.

The commission decided that a pension fund was much preferable to a savings fund, as the guarantee of a continuous pension was more desirable than the payment of a lump sum, and the general plan of the State Railway Employees Pension Fund, approved on June 3 (15), 1894, and embodied in the constitution of the fund on September 2 (14), 1894, follows the line of the pension funds for private railways as described above.

Membership in this fund is obligatory to all employees and workmen of the state railways and the central offices of these railways, except members of private superannuation funds (*emeritalnya kassy*) which had been organized in the earlier years, persons entering the service at the age of 60 or over, persons employed for a term not exceeding one year, and all workmen during the first year of employment. Members of private superannuation funds and persons employed one year or under may join it voluntarily and are entitled to the same benefits as the obligatory members. Having once joined the pension fund, they can not give up this membership. Employees cease to be members when they are separated from employment in any state railway after thirty years of service, provided they have reached the age of 55 (in case of members of the train service, 50 years), and all employees having reached the age of 60, no matter what their length of service.

The sources of revenue of the pension fund are the same as for the pension funds of the private railroads; namely, the obligatory deductions from the earnings of the members, 6 per cent of the annual salary as initiation fee, 6 per cent of the monthly salaries as a regular monthly contribution, 10 per cent of the special prizes and awards, and the difference of salary for three months in case of promotion. For the purpose of these deductions no salary is considered as being

in excess of 2,400 rubles (\$1,236). Voluntary additional contributions may be made, not to exceed in any one year the annual sum of monthly contributions; and if intended to serve to increase the widow's pension, they must not exceed 50 per cent of the monthly contributions. The annual subsidy from the state treasury equals one-half of the annual sum of the monthly contributions of the members.

Miscellaneous revenues are the same as in the case of the private railway pension funds; namely, net proceeds from unclaimed baggage and freight, penalties collected, income from rentals for advertising and newspaper and bookselling privileges on railway stations, unclaimed payments due by the fund, contributions, and accidental revenues. Direct revenues of the fund consist of interest and profits. And finally at the time of establishment of the fund, or of acquisition of private railways, the fine funds and other funds and sums are added to the general pension fund.

The distribution of the various revenues is somewhat simpler than in the case of the private railway pension funds. The obligatory contributions of the members are credited to their individual accounts. The miscellaneous revenues (except the benevolent contributions, when the object is designated) and the fine and other funds transferred at the beginning shall constitute a special fund for payment of benefits and pensions to children and orphans of members and pensioners. From the interest on investments owned by the pension fund, the various funds are credited with 4 per cent per annum, and the remainder, if any, is transferred to a surplus fund. The monthly subsidies of the treasury are used, first, to cover any existing deficits; then, to swell the children and orphans' fund until it is brought to the full computed value of its obligations; of the remainder, amounts equal to one-half of the monthly contributions of the married male members are credited to personal accounts of the wives; what is left after that is distributed among the accounts of the members proportionately to their monthly contributions.

The surplus formed as indicated above is used to meet deficits and certain other payments which will be mentioned later; when it reaches 10 per cent of the computed value of all obligations the revenues due to the surplus are diverted into other channels; when the surplus falls below that level it again claims these revenues. All the amounts of the pension fund must be invested in government bonds, government guaranteed securities, or other specified securities.

Benefits paid by the fund may be either pensions or lump sums; and they may be paid only at the time of leaving the fund. Two classes of pensions are recognized, ordinary and increased. Ordinary pensions are paid at the time of separation from service after

at least 15 years of service, or at the end of membership in the fund and after at least 10 years of service, when it is paid as an addition to the salary.

The increased pensions are granted in cases of full disability because of a grave and incurable disease, after at least fifteen years of service and membership in the fund.

The amount of the pension depends upon the age of the pensioner and the amount of the accumulations credited to him, and is obtained by multiplying the sum of accumulation by a variable factor depending upon age, according to a table attached to the constitution, the factor being greater in case of the increased pension than that of the ordinary pension. The accumulated credits are computed each year for each and every member, one important provision being that the rate of interest varies with the age of the employee and his length of service, the minimum being 4 per cent. On the whole this rate of interest increases with the age of the employee at the beginning of service and also with the length of service, until it reaches the tenth year, when it very suddenly decreases, and again slowly increases during the further years of service. The computation of this interest is based upon many factors, such as mortality, chances of disability, and the relations between the normal and increased pensions.

The object of these complicated computations is that the increased pension due for complete disability at the end of 10 years of service be equal to 60 per cent of the full normal pension after 30 years of service, or at the age of 60; at the end of 11 years of service the increased disability pension must be equal to 62 per cent of the full normal pension, and increasing by 2 per cent for each additional year of service, become equal to the normal pension at the time when such pension is normally due (that is, either after 30 years of service or when reaching the age of 60). In any case the pension after 15 years of service must not be over 50 per cent of the amount of the annual salary or wages from which the 6 per cent deductions were made during the year preceding the granting of the pension; after 20 years it must not be over 75 per cent, and after 25 years not greater than this amount of wages. When the accumulated credits exceed the capitalized value of the pension the difference is paid over at the time when the pension is granted.

The conditions of discontinuance of the pensions are the same as for the funds of the private railways, namely, death of the pensioner, loss of civil rights, recovery from the disease for which the pension was granted, entrance into a monastery, or unexplained absence.

Upon the death (or legal death) of an employee who had been a member of the fund for five years, or was a pensioner of the fund,

the widow is entitled to a pension. The amount of this pension is computed by multiplying the amount accumulated to the credit of the widow by a coefficient depending upon the ages of both husband and wife at the time of granting the pension, which coefficient is shown in a separate table. The amount of accumulated widows' credits is computed annually, by adding to the credits of the last year (derived from the treasury's monthly contributions) the sum of accumulated credits of all preceding years with "interest;" this interest, like in the parallel case of the members' credits, is in reality an arbitrary coefficient of growth depending for the first five years of membership upon the age of the wife, and for the following years upon the ages of both husband and wife, and is shown in two elaborate tables.

If the employee marries while in service an amount equal to one-half the sum of his obligatory monthly deductions from pay, without interest, is credited to his wife. The total pension of the widow must not exceed two-thirds of the husband's pension. When the accumulations reach this level further credits to her name are discontinued. The widow's pension is paid until death, remarriage, entrance into a convent, or return of the husband from unexplained absence.

When the parent receives the so-called-increased pension for complete invalidity, the children from a marriage consummated before the pension began are also entitled to pensions of the following amounts: One child receives 3 per cent of the average earnings of the disabled parent, after 10 years of service, and 0.1 per cent for each additional year of service, with a maximum of 5 per cent after 30 years of service. When two children are living they receive together  $1\frac{1}{2}$  times as much as one child, three children  $2\frac{1}{4}$  as much, four children  $2\frac{3}{4}$  times as much, five children 3 times as much, six children  $3\frac{1}{2}$  times as much, and seven or nine children  $3\frac{1}{2}$  times as much. In any case each child's pension must not be over 100 rubles (\$51.50) per annum.

In case of the death (or legal death) of a pensioner or of one who has been a member of the fund for 10 years, one child receives 5 per cent of the average earnings for 10 years of service, and an additional  $\frac{1}{2}$  of 1 per cent for each additional year, with a maximum of 15 per cent after 30 years of service. When more than one child remains the same proportions are observed as in the case of an invalid parent. The maximum pension for each child must not exceed 200 rubles (\$103), and for all children, 40 per cent of the average earnings. When both parents are dead the pensions to children are increased by 50 per cent. Children of a female employee, when the father is alive, may receive pensions only in case the father is totally disabled and when he does not receive any

benefits from the pension fund. In addition children are entitled to receive the pension of a widowed mother in case of remarriage or entrance into a convent.

The children's pensions are paid until the age of 18 (except where they are attending secondary schools, when the pension may be extended until the age of 21), marriage before that age, death, unexplained absence, loss of civil rights, recovery of parent from disease for which pension was granted, or return of parent from unexplained absence. When the children receive free education and board at government or public expense the pension is discontinued; when they receive a scholarship the pension is diminished by the value of such scholarship. In either case, however, the payments withheld are paid out to them at graduation with interest at 4 per cent.

While the usual method of payment of benefits is by pensions, yet under certain circumstances the payment of the capitalized value of the pension is permitted; namely, the entire pension when it does not exceed 25 per cent of the sum from which the monthly deductions were made during the year preceding the granting of the pension; or when the pension exceeds 50 per cent of this amount the capitalized value of this excess (but not over 25 per cent) may thus be paid. When such lump-sum payments are made 5 per cent of the amount is returned for the surplus fund. Capitalization is not permitted for pensions of persons remaining in the employ of the railways, for children's pensions, or for widows' pensions, except in cases of remarriage when there are no children entitled to pensions; in that case she may receive the capitalized value of a pension which would be due to her.

It was shown above that all pensions depended upon a certain length of service. If separation from service takes place before these limits have been reached (10 years in case of invalidity and 15 years in other cases), the rights of the members to their savings are not lost, but lump-sum payments take the place of pensions. These lump-sum payments consist of the accumulations to the credit of the employee, and his wife, if she be still alive. When separation takes place before 10 years of service are completed the payments consist of the contributions of the members without interest. After 10 years 25 per cent, after 11 years 40 per cent, after 12 years 55 per cent, after 13 years 70 per cent, and after 14 years 85 per cent of the interests, the treasury contributions, and profits credited to the accounts are added. These lump-sum benefits are the only benefits for persons entering the fund at the age of over 50 years. They receive all the sums credited to them, with 4 per cent compound interest, when they reach 60 years of age. In case of death



before reaching the age of 60 years the accumulated credits are paid out to their legal heirs.

In addition to the old age, invalidity, and death insurance, which are the proper functions of the fund, it is also made the financial agent for certain accident pensions. If the member is granted such accident pension from any source at the time of his separation from service, this pension must be paid by this fund, but simultaneously, the capitalized value of such pension (minus the capitalized value of any pension or lump sum to which the injured person is entitled under the law) is paid over to the pension fund. This rule applies also to pensions to survivors of an employee killed in an accident. When, however, the pension for the injury is smaller than that to which they would be entitled from the pension fund, the latter greater pension is paid.

Since the various amounts of pensions all depend upon the length of service, the methods and rules of computing these are important, especially with regard to noncontinuous service. These rules are quite complicated, but their general intent is that in case of interrupted service the length of service of the preceding periods may be counted in, provided the employee is in good health and makes good the financial obligations which he would have to meet if his services were not interrupted. On the other hand, the funds reassume those obligations toward the member, which might have been canceled by his premature separation from service. The same principles apply to the previous years of service for a private railroad. When a railway possessing a pension or savings and relief fund is acquired by the State the conditions of transfer of members must be specially provided for.

The administration of the fund is in charge of the state railway office of the Ministry of Ways of Communication. The following institutions were established: The general committee for the fund, with a central office attached; special committees for the individual railway systems, with local offices attached.

The general committee consists of a chairman and four members appointed by the minister of ways of communication. The number of the members of the local committees is determined by the central railroad office in accordance with the number of employees, but must not be under six. One-third of the membership is appointed by this office, and the others are elected by the membership of the fund. The director of the road is the chairman of the local committee. A special local committee is also provided for the employees of the central state railways office. Both the appointive and elective members of all committees must be members of the fund, receiving a salary of not less than 1,000 rubles (\$515) per annum. All the mem-



bers of the committee serve without remuneration. The local committees keep the accounts of the members within their jurisdiction, supervise the regular payments of all dues and incomes, and grant pensions and subsidies, while the general committee controls the funds, their accounting and investment, supervises the decisions of the local committees, and makes necessary changes, prepares the statistical and other reports, keeps the accounts of the pensioners, hears complaints and appeals from the decisions of the local committees, examines their accounts, etc. The decisions of the general committee may be appealed to the minister of ways of communication. The entire expense of the administration of the pension fund is met by the state treasury.

#### STATE RAILROAD EMPLOYEES' OLD-AGE PENSION FUND LAW OF 1903.

On the same day in which the fundamental Russian workmen's accident compensation act was approved, June 2 (15), 1903, a new law was promulgated for the old-age and invalidism pension fund of the employees of the Russian state railways, to go into effect January 1, 1904. Nearly nine years had elapsed since the organization of the fund, and the reports of the financial operations of the fund, coupled with severe losses from the depreciation of securities in which the assets were invested, showed a condition which was not altogether satisfactory and necessitated the revision of the regulations, mainly for the financial organization of the fund. The new law is extremely complicated, containing detailed regulations as to the organization of the numerous accounts and funds into which the pension fund is divided. It is sufficient here to point out the main changes as compared with the older law.

The rules in regard to membership were left practically unchanged. The same is true of the sources of revenue of the fund, except that a few minor sources were added to the long list of miscellaneous revenues, constituting an indirect subsidy from the State. These additional sources of revenue are: Salaries unclaimed by employees of the state railways for a period of ten years, the proceeds from the sale of grain sweepings from station platforms and warehouses, and the income from buffet and restaurant privileges. As would appear from the statistical data in a subsequent section, only the last mentioned amounts to a considerable sum.

The distribution of the revenues among the various accounts has been somewhat changed by the establishment of the state treasury subsidy fund in addition to the members' personal accounts, the children and orphans' fund, and the surplus. The regular contributions of the treasury, which are equal to one-half the members' contributions, go to this fund, and it is used to cover deficits in other accounts, to increase the pensions of persons leaving the service

because of invalidism, and to pay the pensions of widows of members with less than ten years' membership; the remainder is to be distributed among the members who have been over ten years in the fund and among their wives.

The most important financial measure consisted in granting to the pension fund a subsidy from the state treasury amounting to 10,000,000 rubles (\$5,150,000), to be paid in annual installments of 450,000 rubles (\$231,750), while the remainder is entered in the assets of the fund as a debt of the state treasury bearing 4 per cent interest. The distribution of this subsidy among the various funds was left to the minister of ways of communication, the minister of finance, and the comptroller of the treasury, the law demanding that part of it go into the personal accounts of members and part into the state treasury subsidy fund. Through this measure the pension accounts of the entire membership were materially improved.

The rules in regard to the payment of pensions and benefits have been considerably changed, but as they are very complicated no attempt is made to give here a detailed analysis.

In brief, the members are entitled to normal pensions, increased pensions, or lump-sum benefits, which are paid only at the time of leaving the fund, though not necessarily the service. Normal pensions are paid after at least 15 years of membership and increased pensions in case of complete disability after at least 10 years of service, and these pensions are computed according to special tables based upon mortality and disability tables and the personal accumulated accounts. In no case must the pension exceed the salary during the last year of service, and any excess is capitalized. These pensions are paid until death, and in case of the increased pensions until recovery, when the normal pension is substituted. Persons discontinuing membership in the fund before having acquired a right to a pension receive the accrued values of their accounts and also those of their wives. But if the employee is forced thus to leave the service and the fund because of complete disability, he receives in addition to his accumulated account an additional bonus from the state treasury subsidy fund, equal to one-half the average monthly salary during membership for each year in the service. This is a new provision for the benefit of the membership, introduced by the law of 1903.

Widows' pensions are granted to widows of members dying after 10 years of membership, widows of pensioners, and of such employees as have taken out capitalized values of their pensions but have left the accounts of their wives in the fund. The value of their wives' accumulations and that of their pensions are computed according to special tables, depending upon the ages of husband and wife, and also on mortality of railroad employees' wives.

If a member of the fund marries after 10 years of membership his wife is immediately credited from the treasury subsidy fund with an amount equal to that which would have accumulated to her account if she had been married from the beginning of her membership.

The widow's pension must not exceed two-thirds of the maximum limit of the member's pension, and if her account exceeds the capitalized value of that pension the difference is paid out to her in a lump sum. The widow's pension is paid until death or remarriage. Any voluntary contributions which had been made by the husband to her account are paid out to her at the time of remarriage.

If a member dies before completing ten years of membership his widow receives half of her husband's account (the entire account if no children survive), any voluntary contributions which may have been made in her favor, and a bonus equal to the one which he would have received were he forced to leave the service because of complete disability (one-half the average monthly salary for each year of service).

No pension or benefit rights are acquired by the wife who has married the employee after he was granted a pension.

Children's pensions have also been considerably modified. When the parent receives the increased pension for complete invalidity each child is entitled during the life of that parent to one-twelfth of the parent's pension, but the total for all children must not exceed one-fourth.

After death of a male employee who was a member of the fund for less than 10 years the children receive lump-sum benefits equal to one-sixth of the average monthly salary of the parent for each year of service. In addition to this they receive half the account of the parent, and where no widow survives the entire account of the father.

If the deceased parent held membership in the fund for 10 years or more, each child receives one-sixth of such pension as the parent would be entitled to if leaving service because of complete disability; if the deceased parent was receiving an increased pension at the time of death, then one-sixth of such pension; the total for all children in either case must not exceed one-half of such pension. Children of deceased female employees, with father living, receive a pension only in case of the father's disability. Orphans' pensions are 50 per cent greater than when one parent survives. If both parents were in the state railway service children receive their pensions at death of the father, even if the mother remains in the railway service. In case of the death of both parents the orphans receive the larger of the two pensions to which they were entitled. At the remarriage of the widow the children receive her share, but the combined total must not exceed the limit established for orphans.

The general conditions governing the payment of pensions to children remain the same as they were established in the law of 1894. The same is true with regard to the rules concerning capitalization of pensions, the payment of pension for injuries, the methods of computing the length of service, the adjustment of accounts in cases of reestablishment in service after resignation, methods of business procedure, and methods of administration of the fund.

The redistribution of the 10,000,000 rubles (\$5,150,000) granted by the treasury was effected in accordance with special regulations published December 24, 1903 (January 6, 1904), and February 4 (17), 1904. A special fund of 200,000 rubles (\$103,000) was also created for granting benefits to persons forced to leave the railway service on account of temporary sickness requiring treatment.

#### FINANCIAL AND STATISTICAL DATA.

The publication of the pension statistical data in 1890 made possible the organization of funds on private railroads under the law of 1888. At the same time the liquidation of the funds not conforming to the demands of the law was undertaken by the Ministry of Ways of Communication according to an imperial order promulgated on the same day on which the railroad pension law was approved.

Fourteen pension funds, established under the old principles, existed at the time. An actuarial examination of these fourteen funds showed that only three, organized with some regard to actuarial science, were found solvent, and the other eleven were financially unsound. In the case of an important railroad fund, for instance, the assets on January 1, 1893, were 1,700,000 rubles (\$875,500), while the obligations, computed on an actuarial basis, amounted to 5,500,000 rubles (\$2,832,500). In the fund of another railroad the assets and obligations were 1,050,000 rubles (\$540,750) and 4,823,000 rubles (\$2,483,845), respectively.

The liquidation in almost all cases was accomplished by means of an organization of a new fund in conformance with the law and tables of 1888; and several railroads contributed large amounts to the existing assets of the pension funds to straighten out their finances. Seven of these railroads organized pension funds, while four preferred the organization of savings-benefit funds.

Altogether 16 pension funds and 7 savings-benefit funds were organized in conformity with the law of 1888. Subsequently several of the railroads which had organized these funds were purchased by the State. By an order of the Government, approved May 26 (June 7), 1895, in case of five railroads the pension funds were joined with the State Railway Employees' Pension Fund, while the pension fund of the southwestern railroads and the savings-benefit funds of the

Nikolai Railroad (St. Petersburg-Moscow Railroad), the St. Petersburg-Warsaw Railroad, the Moscow-Nizhni-Novgorod Railroad, and the Moscow-Kursk Railroad were left undisturbed provisionally for 10 years. In an official publication of the Ministry of Ways of Communication (<sup>a</sup>) for the year 1900 the statement is made that in the beginning of 1905 there would be only one central pension fund for the employees of all state railroads, but the reports for 1906 and 1907 still show the individual existence of the one pension fund and four savings-benefit funds of the five railways mentioned.

A statistical study of the activity of all the railroad funds presents considerable difficulties because of the lack of necessary statistical information. The publication of the annual statistical reports as to the membership of all funds was recently suspended by the ministry because of a contemplated change in the organization of this statistical service, and the latest report published refers to January 1, 1903. For the financial operations of all these funds reports are available only for 1904 and 1905; and the latest available information for the mileage and total number of employees refers to the end of 1905. It is possible, therefore, to give only a more or less complete statement for all railroad pension funds for 1904 and 1905, while for the State Railway Employees' Pension Fund (which does not include all the state railways, as explained above), a more complete statistical presentation is possible.

**MILEAGE AND EMPLOYEES OF RAILROADS AND MEMBERSHIP AND ASSETS OF BENEFIT FUNDS FOR SPECIFIED YEARS, BY CLASS OF FUND.**

[Source: Svodnye balansy penslonnykh i sberegatel'no-vspomogatel'nykh Kass dlelstvulushchikh na russkikh zheleznykh dorogakh, 1905 and 1906. Statistika sluzhashchikh na zheleznykh dorogakh, uchastnikov penslonnykh i sberegatel'novspomogatel'nykh Kass. 1903. Statisticheski Sbornik Ministerstva Putei Soobshchenia. Vypusk 89. Zheleznyia dorogi v 1905.]

Class of fund.	Mileage, 1905.	Number of em- ployees, 1905.	Member- ship, 1903.	Assets.	
				1905.	1906.
State railway employees.....	18,650	392,788	151,795	\$32,115,249	\$35,672,960
Independent pension funds:					
State railways.....	4,597	85,008	45,969	12,767,752	13,737,638
Private railways.....	11,108	193,267	84,732	18,981,718	20,545,130
Total.....	15,705	278,275	130,701	31,749,470	34,282,768
Total pension funds.....	34,355	671,063	282,496	63,864,719	69,955,728
Savings benefit funds:					
State railways.....	2,360	77,861	47,456	11,420,274	12,131,595
Private railways.....	908	5,524	944	475,485	533,819
Total savings-benefit funds.....	3,268	83,385	48,400	11,895,759	12,665,414
Grand total.....	37,623	754,448	330,896	75,760,478	82,621,142

<sup>a</sup> Ministère des Voies de Communication. Administration des Chemins de Fer de l'Empire. Recueil de la Direction du Compte des Pensions. St. Petersburg, 1900, p. 13.

As the data in the table refer to different years, it is not possible to make exact comparisons; but it appears that (with the exception of a few small local, mostly narrow-gauge roads) all railroads are provided with either pension or savings-benefit funds, and that about nine-tenths of the railroads, judging by mileage or by the number of employees, have pension funds, and only a few railroads (three large state-owned railroad systems and a few very small privately owned railroads) still have savings-benefit funds. Gradually the savings funds of these three state-railroad systems will be absorbed into the central State Railway Employees' Pension Fund, and all railroads will eventually be provided for in a uniform way.

A comparison of the membership of all the funds with the total number of employees shows that less than one-half of the employees hold such membership; but the class of the employees must be taken into consideration.

PERMANENT AND TEMPORARY EMPLOYEES AND DAY LABORERS ON RUSSIAN RAILROADS IN 1905.

[Source: Statisticheskii Sbornik Ministerstva Putei Soobshchenia. Vypusk 89. Zheleznaya dorogi v 1905.]

Class.	Number.	Per cent.
Permanent employees.....	404,593	53.4
Temporary employees.....	43,231	5.7
Day laborers.....	309,788	40.9
Total.....	757,612	100.0

The day laborers are mainly unskilled laborers employed in construction work, and they do not come within the scope of the pension system. The total number of permanent employees in 1905 was 404,593; in 1904 the number was 386,557; and in 1903 it was 368,266. The figures for 1903 and 1904 did not include about 5,000 permanent employees of the so-called "local" railways, which are reported separately from the other railroads. The total membership of the funds in 1903 was 330,896.

For the statistics of membership of all the funds data are available for 1898 to 1903. In the table following the membership is shown by occupations. It has grown rapidly from 242,819 on January 1, 1899; to 330,896 on January 1, 1903. Among the occupations are included office employees, track walkers, telegraphers, trainmen, and ordinary workmen and watchmen.



**MEMBERSHIP OF ALL RUSSIAN RAILROAD PENSION AND SAVINGS-BENEFIT FUNDS,  
BY OCCUPATIONS, 1899 TO 1903.**

[Source: Ministerstvo Putei Soobshchenia. Upravlenie zheleznykh dorog. Statistika sluzhashchikh na zheleznykh dorogakh, uchastnikov pensionnykh i sberegatel'no vspomogatel'nykh kass 1899-1903.]

Occupation.	Membership for year ending January 1—				
	1899.	1900.	1901.	1902.	1903.
Office employees:					
General administration.....	14,940	16,239	17,611	20,919	22,583
Other offices:					
Higher officials.....	2,002	2,212	2,321	2,477	2,512
Other office employees.....	9,272	10,299	10,845	11,769	12,567
Other nontechnical employees.....	32,707	35,961	38,294	41,815	44,864
Care of roads:					
Chiefs of sections.....	3,306	3,518	3,670	4,006	3,850
Track walkers.....	62,490	65,696	67,910	72,927	77,334
Traffic and telegraph:					
Station masters.....	8,922	9,793	10,866	11,905	11,788
Telegraphers and signalmen.....	11,627	12,769	13,695	15,385	17,147
Couplers.....	5,102	5,623	6,127	6,773	6,584
Switchmen.....	21,210	23,272	25,437	28,578	31,070
Trainmen.....	22,773	25,285	28,329	30,637	32,717
Engineers and firemen.....	18,536	20,560	22,742	24,983	26,338
Ollmen.....	5,424	5,980	6,486	7,526	7,763
Workmen and watchmen.....	24,539	26,408	27,575	31,086	34,839
Total.....	242,819	263,005	281,908	310,776	330,896

The next table shows the membership, by sex and marital condition, and also the number of children. As the widows and orphans are also protected by these pensions and, in a lesser degree, by the savings-benefit funds, an effort has been made in this table to compute the total number of persons protected by these funds, by adding to the membership the total number of wives and children. The husbands of married female employees are not included, since they are provided for only in exceptional cases. Within four years the total number of persons so protected has increased from less than three-quarters of a million to nearly a million persons:

**NUMBER OF PERSONS PROTECTED BY THE PENSION AND SAVINGS-BENEFIT  
FUNDS OF RUSSIAN RAILROADS, BY SEX AND MARITAL CONDITION, 1899 TO 1903.**

[Source: Ministerstvo Putei Soobshchenia. Upravlenie zheleznykh dorog. Statistika sluzhashchikh na zheleznykh dorogakh, uchastnikov pensionnykh i sberegatel'no vspomogatel'nykh kass 1899-1903.]

Sex and marital condition.	Persons protected on December 31—				
	1899.	1900.	1901.	1902.	1903.
<b>MALE MEMBERS.</b>					
Single.....	49,210	55,308	61,726	66,663	71,867
Married.....	164,646	176,184	191,359	207,158	224,274
With children.....	124,853	133,013	143,508	155,339	167,777
Without children.....	39,793	43,171	47,851	51,819	56,497
Widowed.....	3,942	4,219	4,486	4,747	5,086
With children.....	2,295	2,463	2,624	2,747	2,953
Without children.....	1,647	1,756	1,862	2,000	2,143
Total male members.....	217,798	235,711	257,571	278,570	301,237
With children.....	127,148	135,476	146,132	158,086	170,730
Without children.....	90,650	100,235	111,439	120,484	130,507

NUMBER OF PERSONS PROTECTED BY THE PENSION AND SAVINGS-BENEFIT FUNDS OF RUSSIAN RAILROADS, BY SEX AND MARITAL CONDITION, 1899 TO 1903—Concluded.

Sex and marital condition.	Persons protected on December 31—				
	1899.	1900.	1901.	1902.	1903.
FEMALE MEMBERS.					
Single.....	3,820	4,227	4,680	5,227	5,754
Married.....	18,212	18,906	19,885	21,025	22,187
With children.....	14,665	15,176	16,048	16,903	17,864
Without children.....	3,547	3,730	3,837	4,122	4,323
Widowed.....	1,366	1,468	1,523	1,596	1,718
With children.....	924	963	981	1,019	1,089
Without children.....	442	505	542	577	629
Total female members.....	23,366	24,601	26,097	27,848	29,659
With children.....	15,589	16,139	17,029	17,922	18,953
Without children.....	7,809	8,462	9,068	9,926	10,706
Total members (a).....	241,196	260,312	283,668	306,418	330,896
Members' wives.....	164,646	176,184	191,359	207,158	224,274
Children.....	335,296	356,794	380,075	406,524	432,962
Total persons protected by the pension system(b)	741,138	793,290	855,102	920,100	988,132

a These totals do not agree with the totals of the preceding table; the figures are given as shown in the original reports.  
b The husbands of female employees, who are entitled to pensions only under exceptional circumstances, are not included.

The movement of membership is shown by the following table, which gives the number of admissions and the loss of membership by death and all other causes. Changes in the membership are found to be very great, amounting to over 20 per cent in some years. Most of these employees who leave the service have been in the service a short time only. In 1902, of 50,621 separations 27,233, or 54 per cent, took place before the expiration of a full year of service, and 16,136, or 32 per cent, were in the service over one year but less than five years; thus a total of 86 per cent were less than five years in service.

As persons leaving the service so soon are in the majority of cases entitled only to much-reduced amounts of benefits or repayments of deposits, the permanent employees correspondingly profit by such shifting in the personnel.

CHANGES IN MEMBERSHIP OF THE RAILROAD PENSION AND SAVINGS-BENEFIT FUNDS, 1899 TO 1902.

[Source: Ministerstvo Putei Soobshchenia. Upravlenie zheleznykh dorog. Statistika sluzhashchikh na zheleznykh dorogakh, uchastnikov pensionnykh i sberegatel'no vspomogatel'nykh kass 1899-1902.]

Year.	Member-ship at begin- ing of year.	New members ad- mitted.	Loss of membership.			Increase during year.	Total at end of year. (a)
			By death.	Other reasons.	Total.		
1899.....	242,819	68,119	1,791	48,835	50,626	17,493	260,312
1900.....	263,005	73,331	1,964	52,956	54,920	18,411	281,416
1901.....	281,905	77,522	2,076	50,933	53,009	24,513	306,418
1902.....	310,776	70,741	1,979	48,642	50,621	20,120	330,896

a These numbers do not agree with the membership at the beginning of the year following; the figures are given as shown in the original report.

The causes of separation from the service are shown in the following table. Nearly 70 per cent are found to have resigned voluntarily, while about 16 to 18 per cent were removed by the administration; the cases of death by accident and disability by accident are very few; cases of death through other causes and disability due to illness are more numerous, but together they do not much exceed 8 per cent; as only these cases give rise to exceptional benefits, the permanent employees derive considerable profits from the frequent changes in the body of employees.

CAUSES OF SEPARATION FROM SERVICE OF RAILROADS, 1899 TO 1902.

[Source: Ministerstvo Putei Soobshchenia Upravlenie zhelznykh dorog. Statistika sluzhashchikh na zheleznykh dorogakh, uchastnikov pensionnykh i sberegatelno vspomogatelnykh kass 1899-1902.]

Year.	Death from—		Disability or disease caused by—		Position abolished.	Administrative order.	Superannuation.	Entered military service.	Transferred to day labor.	Voluntarily resigned.	Cause unknown.	Transferred to other roads.	Total.
	Accident.	Other causes.	Accident.	Other causes.									
1899...	147	1,644	109	2,620	552	8,809	281	599	709	34,907	71	178	50,626
1900...	185	1,779	65	2,492	575	9,488	349	920	484	38,305	42	236	54,920
1901...	143	1,933	74	2,341	1,011	8,917	449	592	650	36,493	86	320	53,009
1902...	96	1,883	45	2,317	587	8,462	497	610	721	35,219	9	175	50,621

The combined assets of the railroad pension and savings-benefit funds are considerable, exceeding \$82,400,000 on January 1, 1906, while the annual growth was over \$6,695,000. Nearly one-half (43.2 per cent) of these assets on January 1, 1906, belonged to the State Railway Employees Pension Fund, 16.6 per cent to the independent pension funds of state-owned railways, and 14.7 per cent to the savings-benefit funds of state-owned railways, so that 74.5 per cent of the assets are under direct state control. The bulk of these assets is invested in various securities. Thus on January 1, 1906, the amount so invested equaled \$71,090,316; of this \$9,383,314 or 13.2 per cent was placed in government bonds, \$6,356,042 or 8.9 per cent in state-guaranteed bonds of private railroads, and \$55,344,651 or 77.9 per cent in bonds of mortgage banks, while only \$6,309 were invested in railroad stocks. The only other item of importance is the debt of 10,000,000 rubles (\$5,150,000) of the state treasury to the State Railway Employees' Pension Fund, which, with the deduction of payments made and with accruing interest, amounted, on January 1, 1906, to 10,438,000 rubles (\$5,375,570).

The table following is a summary of the liabilities of the funds. The most important is the fund of individual members' accounts. These are made up principally of the members' personal contributions, interest on these contributions, and a few other minor sources. Next in importance is the wives' account fund. This is also made up of individual accounts, consisting principally of the regular contributions

of the state or railroad company and voluntary contributions by the members for the benefit of their wives' accounts. These accounts are used for paying pensions to widows of members dying in service.

Closely related to this is the third fund in the list—that of the pensioners wives. This fund is formed by transfer of the accounts of the wives from the preceding fund at the time the employee is pensioned, and it is designated to pay pensions to widows of the pensioners. The next three accounts represent the capitalized values of pensions granted to members, to widows, and to orphans; the necessary amounts being transferred from the respective funds.

The orphans' fund is intended for payment of pensions to orphans in case of death of their parents. The amount converted to this fund must be equal to the probable obligations, and is computed from the great volume of actuarial data in regard to the ages of the members and their wives and the number and ages of children. A great many of the miscellaneous revenues are diverted into this fund—fines and penalties, unclaimed salaries, the revenue from restaurant privileges (on the state fund only), and the additional necessary amount from the profits of the fund and even the railroad company's contributions.

The reserve is formed from the profits of the fund until it reaches a definite proportion (ranging from 5 to 10 per cent) to the standing obligations to the members, wives, children, pensioners, widows, and orphans.

The fund of unclaimed money due to ex-members is kept separately, because when such money is not claimed within ten years it reverts to the orphans' fund. The remaining liabilities consist mainly of special accounts for special benefit purposes, or actual debts of the funds to one another, or other debts.

#### LIABILITIES OF THE PENSION FUNDS OF RAILROADS.

[Source: Ministerstvo Putei Soobshchenia. Upravlenie zheleznnykh dorog. Upravlenie delami Zheleznodorozhnavo Pensionnovo Komiteta.—Svodnye Balansy Pensionnykh i Sberogatelno-vspomogatelnykh Kass, dlelstvulushchikh na russkikh zheleznnykh dorogakh, 1905, 1906.]

Accounts.	January 1, 1905.				January 1, 1906.			
	Central state railway pension fund.	Independent funds of state-owned railroads.	Independent funds of private railroads.	Total.	Central state railway pension fund.	Independent funds of state-owned railroads.	Independent funds of private railroads.	Total.
Members.....	\$18,366,449	\$7,124,216	\$11,028,683	\$36,519,348	\$19,841,750	\$7,705,770	\$12,236,830	\$39,784,350
Members' wives	3,204,888	2,084,841	2,930,652	8,220,381	3,397,760	2,227,165	3,208,099	8,833,024
Members' wives reserve.....	125,978	158,754	143,696	428,430	132,259	175,246	148,923	456,428
Pensions:								
Old age....	165,216	1,255,971	1,354,068	2,775,255	221,711	1,346,575	1,432,853	3,001,139
Widows....	118,480	900,190	680,149	1,698,819	147,704	959,535	726,795	1,834,034
Orphans...	70,448	250,914	339,012	660,374	84,746	261,617	352,646	699,009
Orphans' fund.	1,914,119	245,085	760,434	2,919,638	2,174,848	237,735	777,512	3,190,095
Reserve.....	1,844,885	405,490	770,364	3,020,739	2,343,585	441,756	516,185	3,301,526
Unclaimed.....	360,188	89,441	273,125	722,754	636,728	135,166	437,316	1,209,210
All other.....	5,944,598	252,849	701,534	6,898,981	6,691,869	247,073	707,962	7,646,904
<b>Total....</b>	<b>32,115,249</b>	<b>12,767,751</b>	<b>18,981,719</b>	<b>63,864,719</b>	<b>35,672,960</b>	<b>13,737,638</b>	<b>20,545,130</b>	<b>69,955,728</b>

The organization of the savings-benefit funds is very much simpler. The savings fund is formed by all the personal contributions of the members, the interest on investments of this fund, and a certain share of the profits; from this fund the individual accounts are paid to the members at the time of separation from the service and in case of death to the legal heirs.

The general savings fund also consists of individual accounts, formed from the railroad companies' monthly contributions and such minor sources of revenue as the sale of unclaimed baggage and freight, also the interest on this fund, a portion of the general profits of the funds, etc.

Payments from this fund are made only to the members of the fund at the time of separation from the service, or to their widows or orphans, after a certain length of service.

In addition there is a special benefit fund, to which are diverted the fines and penalties, liabilities of the fund unclaimed for ten years, the advertising and newspaper-selling privileges, interest, and a portion of the profits of the general fund. Special benefits are paid from this in accordance with the constitution of each savings-benefit fund.

LIABILITIES OF THE SAVINGS-BENEFIT FUNDS OF RAILROADS, 1905 AND 1906.

[Source: Ministerstvo Putei Soobshchenia. Upravlenie zheleznykh dorog. Upravlenie delami Zheleznodorozhnoye Komiteta.—Svodnye Balansy Pensionnykh i Sberegatelno-vspomogatelnykh Kass, deistvuyushchikh na russkikh zheleznykh dorogakh, 1905, 1906.]

Accounts.	1905.			1906.		
	State rail-ways.	Private railways.	Total.	State rail-ways.	Private railways.	Total.
Savings fund.....	\$6,613,236	\$271,707	\$6,884,943	\$6,867,859	\$310,454	\$7,178,313
General benefit fund.....	3,186,038	163,658	3,349,696	3,284,682	179,997	3,464,679
Special benefit fund.....	866,743	33,114	899,857	869,647	35,444	905,091
All other accounts.....	754,257	7,006	761,263	1,109,407	7,925	1,117,332
Total.....	11,420,274	475,485	11,895,759	12,131,595	533,820	12,665,415

The next table contains a summary statement of the income and expenditures of the pension funds and savings-benefit funds for 1904 and 1905. The various payments of the members are the most important sources of income. In 1905 the proportions were unusual on account of the 10,000,000 rubles (\$5,150,000) contributed from the state treasury to the state railway fund; thus in 1905 the contributions of the members was only 25 per cent of the total revenues of pension funds, while in 1904 members contributed 41 per cent.

The proportions in 1904 for the pension funds and the savings-benefit funds were as follows: 41.2 per cent from members, 29.6 per cent from employers, 29.2 per cent from financial operations for the pension funds, and 33.6 per cent, 40.5 per cent, and 25.9 per cent, respectively, for savings-benefit funds.

The savings-benefit funds have no entrance fees, which reduces materially the contributions of the members.

Many of the special sources of revenue of the funds are comparatively trivial. The income from advertising privileges and sale of

unclaimed baggage is the most important of those specially indicated. The state railway fund and a few independent funds have additional sources of income, such as the restaurant privilege and special subsidies which will be specially mentioned in a subsequent section. The activity of the funds may be gauged from the fact that the expenditure for 1904 was \$5,470,913, or, deducting the loss from depreciation of securities, \$4,823,550. Only a small portion of this goes for expenses of administration, less than 4 per cent. As a matter of fact, the expenses of administration of the state railway fund are assumed by the treasury, and those of one large private road (Warsaw-Vienna Railroad) by the railroad company; and eliminating these, the cost of administration was \$174,427 out of total expenditures of \$2,896,357, or 6 per cent. A further analysis of the expenditures shows that the greatest share of payments made is in the form of lump sums to persons who have not yet earned a pension. This is explained in part by the fact that the fund has existed only 16 years (1888 to 1905) and the number of persons who have earned a pension is comparatively small.

INCOME AND EXPENDITURES OF PENSION FUNDS AND SAVINGS-BENEFIT FUNDS OF RAILROADS, 1904 AND 1905.

INCOME.

[Source: Ministerstvo Puti Soobshchenia. Upravlenie zheleznykh dorog. Upravlenie delami Zheleznodorozhnavo Pensionnovo Komiteta-Svodnye Balansy Pensionnykh i Sberogatelno-vspomogatelnykh Kass, delistvuushchikh na russkikh zheleznykh dorogakh, 1905, 1906.]

Item.	1904.			1905.		
	Pension funds.	Savings-benefit funds.	Total.	Pension funds.	Savings-benefit funds.	Total.
Members' contributions:						
Monthly deductions.....	\$3,233,511	\$622,292	\$3,855,803	\$3,112,171	\$603,816	\$3,715,987
Entrance fees.....	307,329	.....	307,329	310,868	.....	310,868
Promotion deductions.....	480,576	57,438	538,014	400,546	39,364	439,910
Premium deductions.....	167,799	24,237	192,136	181,411	24,533	205,944
Voluntary contributions.....	20,903	4,931	25,834	21,627	2,961	24,588
Total.....	4,210,118	708,998	4,919,116	4,026,623	670,674	4,697,297
Railway contributions and other revenues:						
Annual contributions.....	1,592,005	313,138	1,905,143	1,536,746	303,008	1,839,754
Interest on loans.....	13,057	3,405	16,462	12,231	2,751	14,982
Fines and penalties.....	33,837	6,809	40,646	64,314	14,165	78,479
Advertising privileges and newspaper selling.....	45,485	20,325	65,810	46,240	20,841	67,081
Sale of unclaimed baggage and freight.....	50,287	5,722	56,009	30,915	3,248	34,163
Unclaimed wages.....	30,263	3,515	33,778	24,341	13,575	37,916
Unclaimed interest on railroad stocks and bonds.....	2,363	.....	2,363	2,415	22,016	24,431
Contributions.....	1,574	30	1,604	3,074	651	3,725
Railway companies' payments for pensions to injured.....	109,651	.....	109,651	109,858	.....	109,858
Other revenues.....	1,149,854	500,119	1,649,973	7,576,440	192,870	7,769,310
Total.....	3,028,376	853,063	3,881,439	9,406,574	573,125	9,979,699
Revenues from financial operations:						
Interest on investments.....	2,906,866	539,937	3,506,803	2,727,257	495,207	3,222,464
All other financial operations.....	19,177	5,042	24,219	17,630	2,684	20,314
Total.....	2,986,043	544,979	3,531,022	2,744,887	497,891	3,242,778
Grand total.....	10,224,537	2,107,040	12,331,577	16,178,084	1,741,600	17,919,774



INCOME AND EXPENDITURES OF PENSION FUNDS AND SAVINGS-BENEFIT FUNDS  
OF RAILROADS, 1904 AND 1905—Concluded.

EXPENDITURES.

Item.	1904.			1905.		
	Pension funds.	Savings-benefit funds.	Total.	Pension funds.	Savings-benefit funds.	Total.
Lump-sum payments to members and widows.....	\$1,864,727	\$842,496	\$2,707,223	\$2,374,810	\$591,665	\$2,966,475
Members' pensions and capitalized pensions.....	663,121	.....	663,121	923,223	.....	923,223
Widows' pensions and capitalized pensions.....	372,460	.....	372,460	327,043	.....	327,043
Orphans' benefits, pensions, and capitalized pensions.....	192,744	.....	192,744	167,792	.....	167,792
Old claims repaid.....	212,937	176,009	388,946	176,819	161,238	338,057
Expenses of administration.....	133,585	40,842	174,427	134,900	38,403	173,303
Other expenses.....	312,289	12,340	324,629	974,079	46,914	1,020,993
Total expenditures.....	3,751,863	1,071,687	4,823,550	5,078,666	838,220	5,916,886
Loss from depreciation of investments..	381,663	265,700	647,363	1,412,934	102,188	1,515,122
Total expenditures and losses....	4,133,526	1,337,387	5,470,913	6,491,600	940,408	7,432,008

Data are available for the State Railway Employees' Pension Fund from the date of its organization in 1895 to January 1, 1907. The assets at the end of the first year of its operations were \$2,575,233, and after 13 years reached \$38,565,513. The increase is uniformly continuous, except that during 1904 the increase in the assets was \$7,377,676, due to the allowance by the state treasury of 10,000,000 rubles (\$5,150,000) during that year, in accordance with the rules of June 2 (15), 1903.

ASSETS OF THE STATE RAILWAY EMPLOYEES' PENSION FUND ON JANUARY 1, 1896,  
AND 1899 TO 1907.

[Source: Ministerstvo Putei Soobshchenia. Upravlenie zheleznykh dorog. Sbornik upravleniia dlelami pensionnoi kassy sluzhashchikh na kazionnykh zheleznykh dorogakh, 1897. Ministère des Voies de Communication. Administration des Chemins de fer de l'Empire. Recueil de la Direction du Comité des Pensions, 1900. Ministerstvo Putei Soobshchenia. Upravlenie zheleznykh dorog. Otchet pensionnoi kassy sluzhashchikh na kazionnykh zheleznykh dorogakh, 1900-1907.]

Account.	1895.	1899.	1900.	1901.	1902.
Members' account.....	\$1,693,460	\$6,355,943	\$7,745,459	\$9,237,102	\$11,087,370
Wives' account.....	254,841	1,427,873	1,740,350	2,090,350	2,507,827
Orphans' fund.....	527,737	1,012,741	1,132,119	1,274,419	1,417,828
Members' accrued pension account.....	.....	85,222	55,159	84,634	114,778
Widows' accrued pension account.....	.....	83,250	115,918	155,863	208,050
Reserve pension account of pensioners' wives.....	.....	21,070	32,669	45,980	74,082
Unclaimed accounts.....	51,443	167,971	177,955	193,165	222,496
Reserve.....	26,492	823,415	829,297	455,173	896,795
Creditors' account.....	.....	550,659	543,663	651,894	902,746
All other.....	21,260	.....	195,258	220,701	155,743
Total.....	2,575,233	10,478,153	12,567,847	14,409,282	17,587,715

Account.	1903.	1904.	1905.	1906.	1907.
Members' account.....	\$12,909,238	\$14,848,358	\$18,366,449	\$19,841,750	\$21,187,275
Wives' account.....	2,917,637	3,382,602	3,204,888	3,397,760	3,581,186
Orphans' fund.....	1,556,217	1,699,001	1,914,119	2,174,848	2,445,757
Members' accrued pension account.....	169,122	234,102	165,216	221,711	179,785
Widows' accrued pension account.....	266,368	350,531	118,480	147,704	136,816
Reserve pension account of pensioners' wives.....	98,893	148,520	125,978	132,259	115,630
Children and orphans' accrued pension account.....	.....	.....	70,448	84,746	97,638
Unclaimed accounts.....	259,716	322,651	360,188	636,728	641,317
Reserve.....	2,002,182	2,391,149	1,844,885	2,343,585	2,829,628
Treasury subsidy fund.....	.....	.....	3,780,461	3,966,682	4,160,258
Creditors' account.....	1,244,126	1,244,887	2,038,276	2,623,082	3,099,873
All other.....	158,933	115,772	125,861	96,105	90,348
Total.....	21,582,492	24,737,573	32,115,249	35,672,900	38,565,513

The reports of the State Railway Employees' Pension Fund do not show any complete statement of income and expenditure. The main sources of revenue and the main expenditures for the years 1900 to 1906 are shown in the table following. Of the secondary sources of revenue, that from renting restaurant privileges is the most important. That was added after the reorganization of the fund in 1903, so that the chief sources may be classified into three groups—the employees' contributions, the state subsidy, and the interest on investments. In addition to the state subsidy shown, must be mentioned the annual payment of 450,000 rubles (\$231,750) in gradual settlement of the assumed debt of 10,000,000 rubles (\$5,150,000), with interest thereon, while the income from interest on investments is considerably reduced by frequent losses due to depreciation of securities.

PRINCIPAL SOURCES OF INCOME AND CLASSES OF EXPENDITURES OF THE STATE RAILROAD EMPLOYEES' PENSION FUNDS, 1900 TO 1906.

[Source: Ministerstvo Putei Soobshchenia. Upravlenie zheleznykh dorog. Sbornik upravleniia dielami pensionnoi kassy sluzhashchikh na kazionnykh zheleznykh dorogakh, 1897. Ministère des Voies de Communication. Administration des Chemins de fer de l'Empire. Recueil de la Direction du Comité des Pensions, 1900. Ministerstvo Putei Soobshchenia. Upravlenie zheleznykh dorog. Otchet pensionnoi kassy sluzhashchikh na kazionnykh zheleznykh dorogakh, 1900-1906.]

INCOME.

Class.	1900.	1901.	1902.	1903.	1904.	1905.	1906.
<b>Members' contributions:</b>							
Monthly deductions (6 per cent).....	\$1,284,260	\$1,435,204	\$1,556,236	\$1,683,644	\$1,555,310	\$1,582,862	\$1,786,139
Admission fees.....	220,905	266,105	237,824	230,226	174,914	170,387	223,632
Promotions.....	191,403	191,507	209,607	206,875	221,819	220,174	227,476
Prize-money deductions.....	55,429	58,180	61,529	70,701	70,234	72,183	68,312
Voluntary payments.....	4,544	4,934	5,532	6,487	3,192	3,550	3,068
<b>Total.....</b>	<b>1,756,541</b>	<b>1,955,930</b>	<b>2,070,728</b>	<b>2,197,933</b>	<b>2,025,469</b>	<b>2,043,156</b>	<b>2,308,627</b>
State subsidy.....	642,130	792,167	857,818	880,329	777,655	976,573	1,040,446
<b>Other revenues:</b>							
Fines and penalties....	59,644	51,454	35,901	33,671	27,483	16,888	6,188
Unclaimed baggage and freight.....	15,075	29,578	19,505	23,211	16,318	23,759	17,872
Advertising and newspaper selling privileges.....	13,529	15,097	14,309	20,002	20,946	22,231	23,597
Restaurant privileges.....					123,330	156,196	187,042
Unclaimed wages.....					941	14,115	14,501
Other revenues.....	11,967	273	2,065	1,473	2,128	1,311	3,097
<b>Total.....</b>	<b>100,215</b>	<b>96,402</b>	<b>71,780</b>	<b>78,357</b>	<b>191,146</b>	<b>234,500</b>	<b>252,297</b>
Interest on investments...	537,952	659,788	803,714	972,097	1,133,820	1,267,324	1,422,717

EXPENDITURES.

Premiums repaid.....	\$581,124	\$664,978	\$631,566	\$747,054	\$801,302	\$740,221	\$1,063,720
Payments to wives of members discharged before pensions were earned.....	16,300	24,719	25,804	21,002	62,625	39,426	66,856
Members' pensions.....		37,897	45,527	71,693	556,735	306,174	442,315
Widows' pensions.....				9,057	150,740	149,032	203,138
Childrens' and orphans' pensions.....						33,473	47,353
Unclaimed accounts paid.	51,457	61,483	61,235	96,767	107,108	143,792	341,563

The reports of the State Railway Employees' Pension Fund are very incomplete, but they show that the assets are accumulating rapidly. As the latest reports available are for 1906, when only thirteen years had elapsed since its organization, few regular pensions have been paid out, and it is difficult to determine as to its solvency or as to the amount of pensions. The reorganization of 1903 and the voting of a subsidy of 10,000,000 rubles (\$5,150,000) were caused by an actuarial investigation showing that the reserves did not come up to the actuarial obligations.

#### **PENSION FUND OF THE LIQUOR MONOPOLY.**

The transformation of the business of liquor rectifying and most of the wholesale and retail liquor business into a government monopoly created a large and growing army of government employees, partly industrial but mainly commercial. As an experiment the monopoly was first introduced in 1895 in a few provinces on the Volga. Through rapid extensions the monopoly in 1901 covered European Russia, in 1902 was extended to western Siberia, and in 1904 to eastern Siberia. On January 1, 1899, the monopoly employed over 36,000, and in 1904 over 62,000, persons. A pension fund for these workmen and commercial employees was established and opened January 1, 1900. This fund follows the general principles of all Russian pension funds. The members remain masters of their individual accounts, and may demand the return of their savings upon separation from the service, but pensions only after fifteen years of service. The state treasury, i. e., the employer, contributes an amount equal to one-half of the obligatory monthly contributions of the members, and there are also other minor sources of revenue, but these additional amounts do not become available until after ten years of service, and then only partially so, and are fully available only after fifteen years.

An analysis of the law shows that it closely follows that of the railway pension fund. All employees of the liquor monopoly must be members of the fund except those who receive less than 120 rubles (\$61.80) per annum, or who are over 60 years old, or who are employed temporarily for not over one year. The revenues are obligatory and voluntary contributions of the employees, treasury subsidies, interest, and miscellaneous revenues. The obligatory revenues are those which have been found in most other funds; an initiation fee of 10 per cent of the first year's salary, 6 per cent of the earnings, 10 per cent of the special prizes, difference in salaries for three months in cases of promotion. The difference is found in the larger initiation fees, 10 per cent of the first annual wages. The treasury grants a sum equal to one-half of the obligatory deductions from

wages. Pensions, computed according to the accumulated account and the age, are granted at the time of separation from service after 15 years of service. The member who voluntarily retires from the service within two years is not entitled to any repayments. From the beginning of the third year and before the end of the tenth year he receives his own contributions without interest; after the completion of the tenth year he receives also the interest on his payments, and besides in the eleventh year 25 per cent, in the twelfth year 40 per cent, in the thirteenth year 55 per cent, in the fourteenth year 70 per cent, and in the fifteenth year 85 per cent of the additional amounts credited to his account. A distinct feature of this fund is the provision by which the bachelor or widower without children under 18 receives only 75 per cent of the amount due, though not less than his own contributions with interest accrued. The family of the employee who was separated from the service before having earned a pension has no claim upon the fund, but the widow and orphans of a member of the fund who died while in the service receive pensions, no matter what had been the length of service of the employee. The widow receives one-half of the pension to which her husband would have been entitled; each child under 18 years of age, when the mother is living, receives one-sixth of the pension, but all children receive no more than one-half the pension. Orphans receive one-fourth of the pension each; but the maximum for all orphans is three-fourths of the pension. The actual pensions of the employee, as well as of the widows and children, and the capitalized value of these pensions, are computed according to special tables, which in absence of satisfactory Russian mortality statistics were prepared from German mortality data.

Capitalization of parts of pensions in excess of 50 per cent of the annual wages, as well as of small pensions to widows and orphans, were permitted.

The general administration of the pension fund is intrusted to a central committee connected with the department of indirect taxation and liquor monopoly, of the Ministry of Finance, which takes care of the general control, of the investments, of the statistics, etc., and regulates the pensions. The chief of the department is ex officio chairman of the committee, and the members are appointed by the minister of finance, primarily from the leading officials of this department. The local administration is done by provincial committees, presided over by the local chiefs of excise taxation, and consisting of members appointed by the minister of finance.

An annual appropriation of 29,520 rubles (\$15,203) is made by the Government to cover the cost of administration of this pension fund.

## STATISTICS.

The table following shows the total number of employees of the liquor monopoly, the membership of the pension fund, and the number and per cent of the total employees in each class exempted from compulsory membership:

**NUMBER OF EMPLOYEES OF THE LIQUOR MONOPOLY, MEMBERSHIP OF THE PENSION FUND, AND NUMBER AND PER CENT OF TOTAL EMPLOYEES IN EACH CLASS EXEMPTED FROM COMPULSORY MEMBERSHIP AT THE BEGINNING OF EACH YEAR, 1901 TO 1906.**

[Source: Ministerstvo Finansov. Otchiot Penslonnoi Kassy vol'nonalonnnykh sluzhashchikh po kazionnoi prodazhe pitel, 1900-1905.]

Year.	Total number of employees.	Members of pension fund.		Employees not members of pension fund because—							
				Receiving less than 120 rubles (\$61.80) per annum.		Employed temporarily.		Over 60 years of age at time of employment.		Total.	
		Number.	Per cent of total employees.	Number.	Per cent of total employees.	Number.	Per cent of total employees.	Number.	Per cent of total employees.	Number.	Per cent of total employees.
1901....	43,793	26,424	60.4	6,221	14.2	10,481	23.9	667	1.5	17,309	39.6
1902....	61,685	42,441	68.8	6,770	11.0	11,766	19.1	708	1.1	19,244	31.2
1903....	62,612	48,922	78.3	5,957	9.5	6,926	11.1	732	1.1	13,615	21.7
1904....	62,457	50,403	80.7	5,658	9.1	5,744	9.2	652	1.0	12,054	19.3
1905....	62,465	49,780	79.7	5,008	8.0	7,078	11.3	599	1.0	12,685	20.3
1906....	64,628	45,025	69.7	3,766	5.8	6,315	9.8	562	.8	19,603	30.3

\* Includes 8,960 (13.9 per cent) lower grade employees, receiving over 120 rubles (\$61.80) per annum, who declined to be members of the fund, in accordance with the order of December 2 (15), 1905, making membership in the fund optional for these employees.

The total number of employees at the time of organization of the fund was about 40,000, and by 1906 had reached 64,628, due to extension of the liquor monopoly. Within the same brief period the membership in the fund has nearly doubled, increasing from 26,424 in 1901 to 45,025 in 1906. In proportion to the total number of employees the membership in the fund has increased from 60.4 per cent in 1901 to 69.7 per cent in 1906. The exemption from obligatory membership applies to three classes, those receiving a salary of less than 120 rubles (\$61.80) per annum, those employed temporarily, for less than one year, and those who enter the service when over 60 years of age, the last group being numerically unimportant. The temporary employees represent the greatest exempted group, but it has rapidly decreased from nearly one-fourth of all employees to less than 10 per cent. The number of employees receiving less than 120 rubles (\$61.80) per annum is also gradually decreasing because of an increase in average salaries. From 1903 to 1906 the average annual wages of the male employees have increased from 422 to 453 rubles (\$217 to \$233), and the wages of the female employees from 332 to 351 rubles (\$171 to \$181), the average wages of all employees increasing from 398 to 423 rubles (\$205 to \$218).

The following table shows the membership by sex:

MEMBERSHIP OF THE LIQUOR MONOPOLY PENSION FUND AT THE BEGINNING OF EACH YEAR, BY SEX, 1901 TO 1906.

[Source: Ministerstvo Finansov. Otchiot Pensionnoi Kassy vol'nonomnykh sluzhashchikh po kazionnoi prodazhe pitei, 1900-1905.]

Year.	Males.		Females.		Total membership. (a)
	Number.	Per cent.	Number.	Per cent.	
1901.....	21,507	85.2	4,917	14.8	26,424
1902.....	32,484	76.5	9,957	23.5	42,441
1903.....	36,153	73.7	12,769	26.3	48,997
1904.....	36,602	72.6	13,809	27.4	50,411
1905.....	35,125	70.1	14,652	29.9	49,777
1906.....	37,745	70.5	13,280	29.5	45,025

a Some of these totals do not agree with the sum of the items nor with totals in other tables; the figures are given as shown in the original reports.

The marked decrease in the membership of the fund from 1905 to 1906 is explained by the effect of the order of December 2 (15), 1905, which relieved all wage-workers and lower grade employees of the liquor monopoly from obligatory membership in the fund, making it optional. Because of this ruling the membership fell from 79.7 per cent of the total number of employees in 1905 to 69.7 per cent in 1906.

The effect of the rule may be seen from the tables showing the composition of the membership of the fund. Four large groups of employees may be differentiated, the clerical and administrative employees of the central and provincial offices, the salesmen in the liquor monopoly stores, the lower grade employees, and the workmen in warehouses and distilleries. The next table shows the number and per cent in each of these classes.

MEMBERSHIP OF THE LIQUOR MONOPOLY PENSION FUND, BY CLASSES OF EMPLOYEES, 1901 TO 1906.

[Source: Ministerstvo Finansov. Otchiot Pensionnoi Kassy vol'nonomnykh sluzhashchikh po kazionnoi prodazhe pitei, 1900-1905.]

Year.	Employees of distilleries, warehouses, and laboratories, clerks, and bookkeepers.		Salesmen and collectors.		Lower grade employees (copyists, watchmen, etc.).		Workmen in warehouses and distilleries.		Total membership.
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	
1901.....	2,468	9.4	19,799	74.8	1,704	6.5	2,462	9.3	a 26,462
1902.....	3,489	8.3	27,514	64.8	3,099	7.3	8,339	19.6	42,441
1903.....	3,561	7.3	29,335	59.8	3,669	7.6	12,432	25.3	48,997
1904.....	3,669	7.3	29,327	58.2	4,038	8.0	13,377	26.5	50,411
1905.....	3,654	7.4	29,690	59.6	3,792	7.6	12,641	25.4	49,777
1906.....	3,678	8.2	29,592	65.7	2,720	6.0	9,035	20.1	45,025

a This total is not the correct sum of the items; the figures are given as shown in the original report.



The salesmen and collectors constitute from three-fifths to two-thirds of the membership of the fund, while workmen constituted over one-fourth before the order of December 2 (15), 1905, went into effect, and only one-fifth the following year. This distribution of the membership of the fund differs materially from that of the employees, both because practically all of the persons receiving an annual remuneration of less than 120 rubles (\$61.80) belong to the classes of the lower grade employees and wage-earners, and that temporary employment is more frequent in the same classes, as is shown in the table following.

PROPORTION OF EMPLOYEES BELONGING TO THE LIQUOR MONOPOLY PENSION FUND, 1901 TO 1906.

[Source: Ministerstvo Finansov. Otchiot Pensionnoi Kassy vol' nonalomnykh sluzhaschikh po kazionnoi prodazhe pitel, 1900-1905.]

Class of employees and year.	Number of employees.		Members of the fund.		
	Total.	Receiving over 120 rubles (\$61.80) per annum.	Total.	Per cent of all employees.	Per cent of employees receiving over 120 rubles (\$61.80).
<b>Employees of distilleries, warehouses, and laboratories, clerks, and bookkeepers:</b>					
1901.....	2,545	2,545	2,468	97.0	97.0
1902.....	3,672	3,672	3,489	97.7	97.7
1903.....	3,613	3,613	3,561	98.8	98.8
1904.....	3,724	3,723	3,669	98.5	98.5
1905.....	3,718	3,717	3,654	98.3	98.3
1906.....	3,754	3,752	3,678	98.0	98.0
<b>Salesmen and collectors:</b>					
1901.....	20,443	20,440	19,799	96.8	96.8
1902.....	28,187	28,185	27,514	97.6	97.6
1903.....	29,972	29,972	29,335	97.8	97.8
1904.....	29,856	29,856	29,327	98.2	98.2
1905.....	30,260	30,260	29,690	98.1	98.1
1906.....	30,093	30,093	29,592	98.3	98.3
<b>Lower grade employees:</b>					
1901.....	3,969	3,836	1,709	42.9	44.4
1902.....	5,366	5,240	3,099	57.8	59.1
1903.....	5,356	5,213	3,669	68.5	70.4
1904.....	5,356	5,236	4,038	75.4	77.1
1905.....	5,377	5,259	3,792	70.5	72.1
1906.....	5,326	5,206	2,720	51.1	52.2
<b>Workmen:</b>					
1901.....	16,843	10,758	2,462	14.6	22.9
1902.....	24,460	17,819	8,339	34.1	46.8
1903.....	23,671	17,857	12,432	52.5	69.6
1904.....	23,529	17,992	13,377	56.9	74.4
1905.....	23,107	18,218	12,641	54.7	69.4
1906.....	25,455	21,811	9,035	35.7	41.4
<b>All employees:</b>					
1901.....	43,831	37,610	26,462	60.4	70.4
1902.....	61,685	54,915	42,441	68.8	77.3
1903.....	62,612	56,655	48,997	78.3	86.5
1904.....	62,465	56,807	50,411	80.7	88.7
1905.....	62,462	57,454	49,777	79.7	86.6
1906.....	64,628	60,862	45,025	69.7	74.0

Practically all the employees of the first two groups receive over 120 rubles (\$61.80) per annum, while the lower grade employees nearly all receive over this amount, yet in 1904, the year of greatest membership, 24.6 per cent were not members of the fund. A very large per cent availed themselves of the opportunity offered by the decree of December 2 (15), 1905, so that by the end of that year only

51.1 per cent of the lower grade employees retained their membership in the fund.

The falling off was still greater among the class termed "workmen;" in the beginning of 1905, 4,889 received less than 120 rubles (\$61.80) per annum, and as many men were employed temporarily, only 54.7 per cent of the workmen and only 69.4 per cent of those receiving over 120 rubles (\$61.80) held membership in the fund; and so many availed themselves of the opportunity to drop their membership that on January 1, 1906, only 41.4 per cent of those receiving over 120 rubles (\$61.80), and altogether only 35.7 per cent of all the workmen employed remained in the fund. The reason must probably be sought first in the very heavy deductions which are a hardship when the very low rate of wages is considered, and also in the shifting character of the occupation; for according to the by-laws, a member leaving employment in the liquor monopoly before two years of service loses the accumulations credited to his account, including his own contributions to it. As appears from the table following, a great many changes take place in the body of employees, and in the aggregate the losses of such members are considerable. For the three years, 1903, 1904, and 1905, a total of 32,110 persons left the fund. Of these only 1,654 left by death or total disability, 16,645 resigned voluntarily, and 4,311 were dismissed.

CHANGES IN MEMBERSHIP OF THE LIQUOR MONOPOLY PENSION FUND, 1900 TO 1905.

[Source: Ministerstvo Finansov. Otchet Pensionnoi Kassy vol'nonomnykh po kazionnoi prodazhe pitii, 1900-1905.]

Year.	Member-ship at beginning of year.	Admitted during year.	Members lost during year.							Total.
			Resigned voluntarily.	Dis-mitted.	Position abol-ished.	Died.	Totally dis-abled.	Entered military service.	Other reasons.	
1900.....	20,534	8,492	1,708	528	131	119	52	40	.....	2,578
1901.....	26,424	23,432	5,095	1,291	373	294	125	70	99	7,353
1902.....	42,441	14,977	5,161	1,828	567	302	152	127	220	8,357
1903.....	48,922	9,899	5,589	1,639	467	373	156	132	24	8,389
1904.....	50,403	8,495	5,420	1,411	339	369	171	1,387	28	9,121
1905.....	49,780	9,854	5,636	1,261	307	432	153	591	6,229	14,609

The following table gives the distribution of the membership by sex and marital condition, also including the number of children, and a computation of the total number of persons (members, wives, and children) protected by the pension fund. In 1906 the total membership was 45,025 and the number of persons enjoying the protection of the fund was 150,274, or more than three times the membership.

**NUMBER OF PERSONS PROTECTED BY THE LIQUOR-MONOPOLY PENSION FUND, BY  
SEX AND MARITAL CONDITION, 1901 TO 1906.**

[Source: Ministerstvo Finansov. Otchet Pensionnoi Kassy vol'nonomnykh po kazionnoi prodazhe pitei,  
1900-1905.]

Sex and marital condition.	Persons protected on January 1.					
	1901.	1902.	1903.	1904.	1905.	1906.
<b>MALE MEMBERS.</b>						
Single.....	3,388	5,566	6,051	5,866	5,239	4,002
Married.....	17,792	26,377	29,552	30,094	29,235	27,120
With children.....	14,002	20,317	22,831	23,304	22,862	21,268
Without children.....	3,790	6,060	6,721	6,790	6,373	5,852
Widowed.....	367	541	612	642	651	623
With children.....	231	357	373	400	411	401
Without children.....	136	184	239	242	240	222
Total male members.....	21,547	32,484	36,215	36,602	35,125	31,745
With children.....	14,233	20,674	23,204	23,704	23,273	21,669
Without children.....	7,314	11,810	13,011	12,898	11,852	10,076
<b>FEMALE MEMBERS.</b>						
Single.....	1,615	4,062	5,714	6,193	6,400	5,523
Married.....	1,674	3,298	4,117	4,470	4,854	4,296
With children.....	1,153	2,094	2,589	2,808	3,123	2,803
Without children.....	521	1,204	1,528	1,662	1,731	1,493
Widowed.....	1,626	2,577	2,951	3,146	3,398	3,461
With children.....	1,142	1,791	2,065	2,166	2,331	2,354
Without children.....	484	786	886	980	1,067	1,107
Total female members.....	4,915	9,957	12,782	13,809	14,652	13,280
With children.....	2,295	3,885	4,654	4,974	5,454	5,157
Without children.....	2,620	6,072	8,128	8,835	9,198	8,123
Total membership.....	26,462	42,441	48,997	50,411	49,777	45,025
Members' wives.....	17,792	26,377	29,552	30,094	29,235	27,120
Children.....	45,836	66,627	75,957	79,255	81,140	78,129
Total persons protected by the pension system (a).....	90,090	135,445	154,506	159,760	160,152	150,274

a The husbands of female employees, who are entitled to pensions only under exceptional circumstances, are not included.

The main data in regard to the financial operations are brought together in the table following. Though the fund has been in existence a short time only, its accumulations are considerable, growing from 1,869,154 rubles (\$962,614) on January 1, 1901, to 12,533,271 rubles (\$6,454,635) on January 1, 1906. This is natural, since in the earlier years only a few pensions were paid, and these were small, fifteen years' membership being necessary for a full pension. While the expenditures are formally almost equal to the income, they mostly represent purchase of securities for investments. The income is seen to consist mainly of contributions by members, subsidies from the State, and interest on investment. The expenses, besides the payment of compensation and subsidies, are very small. The totals of the individual members' accounts are also shown, the main sources of growth of these being the 6 per cent salary deductions, but the large initiation fees and the deductions from promotions are quite considerable. The largest deductions in the earlier years were on account of members leaving the service. Deaths claimed only small sums.

## FINANCES OF THE LIQUOR-MONOPOLY PENSION FUND, 1900 TO 1905.

[Source: Ministertov Finansov. Otchet Pensionnoi Kassy vol'nonomnykh po kazionnoi prodazhe pitel, 1900-1905.]

Item.	1900.	1901.	1902.	1903.	1904.	1905.
Balance on hand at beginning of year.....		\$962,614	\$2,355,677	\$3,536,438	\$4,590,208	\$5,362,862
Balance on hand at end of year.....	\$962,614	2,355,677	3,536,438	4,590,208	5,362,862	6,454,635
<b>Income:</b>						
Membership deductions and contributions.....	781,691	1,043,506	875,231	791,574	823,424	823,118
State subsidies.....	179,258	282,713	252,973	275,783	311,996	302,522
Interest on securities.....	12,996	94,283	144,110	193,503	241,516	288,875
All other.....	13,697	60,586	59,931	27,040	61,777	51,694
Total.....	987,642	1,481,068	1,332,245	1,287,900	1,438,713	1,466,209
<b>Expenditures:</b>						
Purchase of securities.....	805,920	1,474,980	1,255,993	1,084,358	1,084,174	1,101,375
Compensation, subsidies, etc.....		10,713	83,513	203,854	311,211	324,327
All other expenses.....	4,095	5,537	21,205	7,308	5,808	4,037
Total.....	810,015	1,491,230	1,360,711	1,295,520	1,401,193	1,429,738
<b>Members' accounts:</b>						
At the beginning of the year.....		740,187	1,780,242	2,830,150	3,747,905	4,588,339
At the end of the year.....	740,187	1,780,242	2,830,150	3,747,905	4,588,339	6,060,544
<b>Added to members' accounts:</b>						
Members' contributions—						
Six per cent salary deductions..	237,353	444,827	574,491	612,754	624,091	629,206
Ten per cent initiation fees.....	394,258	367,318	263,164	139,154	110,778	109,330
Promotion deductions.....	28,785	92,248	92,782	85,526	66,500	90,656
Premium deductions.....	95	18,341	12,957	14,529	21,021	16,485
Voluntary contributions.....	37	173	403	790	1,158	1,358
Total.....	660,528	922,907	943,797	852,753	823,548	847,035
<b>All other items:</b>						
Three per cent treasury subsidy....	117,953	221,938	286,852	306,314	311,943	314,478
Interest accrued.....		27,752	68,158	107,044	141,280	173,810
Profits distributed.....					48,340	92,548
<b>Other items.....</b>		41,921	48,961	30,063	35,901	44,333
Total.....	117,953	291,611	403,971	443,421	537,464	625,169
Grand total.....	778,481	1,214,518	1,347,768	1,296,174	1,361,012	1,472,204
<b>Deducted from members' accounts:</b>						
Died, leaving families.....	1,200	9,020	11,875	20,826	27,104	39,247
Died, without families.....	(a)	1,905	2,341	4,700	6,578	5,496
Left service after 2 years' service, but before pension limit.....			106,771	221,623	314,882	356,046
Left service before 2 years' service, but for valid reasons.....	3,279	16,671	29,016	29,237	94,785	61,901
Left service before 2 years, and without right to receive any payment.....	(a)	101,722	97,182	65,804	38,147	31,885
All other deductions.....	35,230	45,144	50,676	36,229	39,080	b 377,199
Total.....	39,709	174,462	297,861	378,419	520,576	871,774

a Included in all others.

b Including \$325,064 deducted accounts of members who abandoned membership in fund in conformity with the imperial order of December 2, 1905, relieving workmen and minor employees from obligatory membership.

The amount of normal pension depends upon the salary of the employee, the length of the service at the time of applying for a pension, and also upon his age.

The following table shows the accumulations which will accrue to a married male member 30 years of age at the time of the organization of the fund and receiving an annual salary of \$500:

VALUE OF ACCUMULATIONS AND AMOUNT OF PENSION OF A MARRIED MAN 30 YEARS OF AGE AT TIME OF ORGANIZATION OF FUND, RECEIVING AN ANNUAL SALARY OF \$500.

[Source: Otchiot penslonnoi Kassy vol'nonomnykh sluzhashchikh za 1901 god., Vol. II, p. 39.]

Date.	Length of membership (years).	Age (years).	Value of accumulations.	Amount of annual pension.
December 31—				
1905.....	5½	35	\$330.78	.....
1910.....	10½	40	646.17	.....
1915.....	15½	45	1,029.90	\$63.44
1920.....	20½	50	1,534.08	103.24
1925.....	25½	55	2,181.91	160.81
1930.....	30½	60	3,023.15	248.20
1935.....	35½	65	4,142.96	385.39
1938.....	38½	68	5,003.72	504.37

It may be said, therefore, that a man of 30 would have to remain in employment over 38½ years to receive a pension equal to his salary and 30½ years for a pension of about one-half his salary; that after 15 years his accumulations would somewhat exceed two years' pay and his pension be equal to about one-eighth of his salary.

This salary of \$500 is higher than that received by the average workman in the liquor-monopoly service. The average salary of an employee, though varying slightly from year to year and showing a tendency to rise, is equal to about \$200. For an employee with this salary, but otherwise as described above, the value of accumulations after 20 years would be about \$600 and his pension a little over \$40 per annum; after 25 years the accumulations would be about \$875 and the pension \$64; after 30 years, \$1,200 and about \$100; and after 35 years, \$1,656 and \$154, respectively.

PENSION FUND OF THE GOVERNMENT PRINTING AND ENGRAVING OFFICE.

This fund was organized in accordance with the law of May 3 (15), 1899—i. e., about one year before the establishment of the Liquor Monopoly Pension Fund and was a successor to a relief fund existing since 1865. Having a smaller membership than either the railroad or the liquor monopoly fund and being similar to them in its organization, only a brief description will be given, as the original reports of this fund can not be secured. The main sources of revenue, such as the contributions of the employees and of the employer (the treasury in this case) are exactly the same as in the Liquor Monopoly Pension Fund, except that the income from penalties is also added; and the system of individual accounts as a basis for the computation

of pensions is identical with that of the other funds. The ordinary pension, thus computed, is granted only after 15 years of membership in the fund. In case of invalidity, however, so-called extraordinary pensions are granted, and these are based upon an entirely different principle, being arbitrary proportions of the earnings, as follows: After 10 and up to 15 years of service, 15 per cent of the earnings; after 15 and up to 20 years of service, 20 per cent; after 20 and up to 25 years, 30 per cent; after 25 and up to 30 years, 40 per cent; and after 30 and up to 35 years, 50 per cent of the earnings. As these proportions do not depend upon the accumulations, they may become an excessive charge upon the fund to be met by additional subsidies from the treasury. The conditions of return of the accumulations before the right for an ordinary or so-called extraordinary pension is acquired are the same as in the other pension funds described—namely, in case of separation from the service within two years no returns are made; in case of separation after 2 and before 10 years of service, his payments without interest; after 10 years, his payments and 25 per cent of all the other additions to his account; after 11 years, 40 per cent; after 12 years, 55 per cent; after 13 years, 70 per cent; and after 14 years, 75 per cent of these accumulations. These rates apply only to married men with families; single men or widowers without children receive only 75 per cent of the amount, but in no case less than his actual contributions.

The fund combines occasional financial assistance to its members and also a loan business with that of granting pensions. The administration of the fund is intrusted to elected members under the chairmanship of the director of the printing office. This fund is one of the few pension funds which were organized for the benefit of industrial wage-workers of a manufacturing plant.

#### **OLD-AGE FUNDS OF THE FACTORIES AND HARBOR WORKS OF THE MINISTRY OF THE MARINE.**

By the laws of January 27 (Feb. 9), 1903, and April 18 (May 1), 1903, old-age funds were established for the wage-workers employed in the factories and harbor works of the Ministry of the Marine. These funds are practically based upon a system of enforced saving with certain benefit features attached. Two separate funds are established—the saving fund and the benefit fund. The employee contributes to the saving fund 6 per cent of his earnings and the management of the establishment contributes half of that amount to the benefit fund. In each of the funds each employee has a personal account, which grows by contributions as well as by accruing interest. In case of death both accounts are paid to his heirs in the following order: His widow and children; and when no widow or children survive, to his mother; in her absence, to the dependent father or to the unmarried



sisters. If the employee is forced to leave the service because of an accident, disease, or old age, he receives both of his accounts in full. He is entitled to his account in the savings fund at the time of separation from service, no matter for what reason. But with the exception of death or separation because of disability, the payment of the individual account in the benefit fund is made the subject of rather complicated regulations. All occupations are divided into four classes, according to the danger element and severity of labor. In the first group, the most dangerous and difficult, the employee acquires the right to receive his entire benefit account after 15 years, in the second after 20 years, in the third after 25 years, and in the fourth group after 30 years. Before the expiration of these maximum limits only partial payments may be made from the benefit fund, as follows: 33 per cent after a specified number of years and an additional percentage for each additional year until the full amount is reached. In the first group, after 5 years; and for each additional year 7 per cent and 6 per cent alternately each year. In the second group, after 7 years; and for each additional year 5 per cent. In the third group, after 8 years; 36 per cent after 9 years; and 4 per cent additional for each year. In the fourth group, after 10 years; and 3.35 per cent additional for each year.

#### **OLD-AGE FUND OF THE VOLUNTEER FLEET.**

The above-described system of old-age provisions in the Ministry of the Marine has followed very closely after the system introduced by the law of July 27, 1896, for the employees of the so-called volunteer fleet (a private navigation company subsidized by the Government). According to this law there are two funds—a saving fund and a benefit fund. The employees contribute 10 per cent of their earnings to the savings fund and the management of the company contributes to the benefit fund 8 per cent of the earnings of those receiving 720 rubles (\$370.80) or less and 6 per cent of the earnings of those receiving more than 720 rubles (\$370.80). The right to receive the savings accounts is unlimited after one year of service; for the purposes of adjusting the payments for the benefit funds the employees are classified into four groups, (1) the workmen and employees on land, (2) the line officers, (3) sailors, except firemen, and (4) firemen.

The minimum payment of 50 per cent of the account in the benefit fund is paid to employees of the first group after 10 years of service, of the second group after 9 years, of the third group after 8 years, and of the fourth group after 6 years. For each additional year 5 per cent additional is allowed to the first group, 5 to 6 per cent to the second, 6 per cent to the third, and 8 per cent to the fourth. The full amount is paid to the first group after 20 years, to the second after 18 years, to the third after 16 years, and to the fourth after 12 years.

In case of death or abolition of the position the entire value of both accounts is paid to the employee or his heirs, independent of the length of service.

#### PENSION FUNDS OF THE "ZEMSTVOS."

All the pension institutions described have been established by the Central Government for its own employees. A brief description of the pension funds of the "zemstvos" (the organs of local self-government) are of considerable interest, as evidence of the great popularity of old-age insurance in Russia, though the majority of the employees belong to the professional classes (physicians, nurses, agronomists, clerical employees) and so bear only an indirect relation to the problem of labor insurance.

The "zemstvos," organized in 1864, are representative bodies elected by the landowners and peasants. As early as 1868 the first zemstvo employees' pension fund was established by the provincial zemstvo of Tver; the Province of Nizhni Novgorod followed in 1871, and St. Petersburg in 1877. These led to a general law, promulgated on April 30 (May 12), 1883, regulating all pension funds to be established by the zemstvos. The law required the approval of the constitution by the Ministry of Interior as a necessary prerequisite and also the agreement of all the district zemstvos of a province for the establishment of a pension fund in that province. The contributions of the zemstvos were limited to 3 per cent of its budget. From 1883 to 1899 pension funds in conformity with the law were established by 14 zemstvos, while many others petitioned the Ministry of Interior for changes in the law regulating such pension funds, namely, that the agreement of the majority of the district zemstvos be sufficient or that the provincial zemstvos be granted power to make pension funds obligatory for the district zemstvos of its province. It was even suggested by some zemstvos that one central old-age pension fund for all zemstvos be established by cooperation among all zemstvos. Several zemstvos insisted that funds of the "insurance type" were preferable to those of the "emeritus type" (*Emerital'naja Kassy*).

Under the former is understood in Russia the type of pension fund in which the amount of pension depends largely upon the total payments made, while the "emeritus type" of funds grants pensions depending upon the salary at time of separation from service. It is almost impossible to construct any tables for the latter type of pension funds, so as to make them self-supporting. This type was popular for the earlier pension funds of government employees, when the Government undertook to cover any deficits; and of the 14 pension funds established before 1900, 11 were of that type. Under the influence of these memorials the Ministry of Interior elaborated a new plan for zemstvo pension funds, which passed the Imperial Council and was approved on June 12 (25), 1900. This new law is

based on the "insurance plan." It was the intention of the ministry to make the establishment of pension funds obligatory for all zemstvos, but the Imperial Council did not agree with that demand, leaving the organization of the pension fund to the decision of the provincial zemstvos. It also rejected the demand of the ministry, that all the existing pension funds be made to conform to the type outlined in the new law.

With the promulgation of the law the establishment of new pension funds proceeded very rapidly. One fund was opened in 1901, 6 in 1902, 4 in 1903, and at this time all the 34 zemstvos, with the possible exception of one or two, have pension funds. While the change from the old to the new type was not obligatory, a great many zemstvos have made such changes, leaving the old funds to carry only those employees who have been members in it for a series of years. Altogether 15 of the 34 zemstvos now have pension funds conforming to the new law of June 12 (25), 1900. Each one of these has its own constitution and by-laws, which differ from each other in minor details, but they must all conform to the general demands of the law.

The general basis of this law is a rather close imitation of that establishing the State Railway Employees' Pension Fund, the greatest fund of its kind. Membership in the fund is obligatory for all paid employees of the zemstvos (not excluding the elective officers) below a certain age (50 in some funds and 55 in others). The income of the fund is derived from (1) obligatory contributions of the members, of the same nature as in the railroad fund, namely, 6 per cent of the first year's salary as an initiation fee, 6 per cent of the monthly salary, 10 per cent of the special-prize moneys, the difference between the old and new salary for three months in case of promotion; (2) voluntary contributions of members, the amounts not to exceed the obligatory contributions; (3) contributions of zemstvos; (4) profits from investments; (5) miscellaneous revenues, such as fines, moneys unclaimed, etc. The distinctive feature of the law is the heavy contributions of the zemstvos, which must be equal to those of the members, i. e., 6 per cent of the salaries. This gives a total of 12 per cent of the salaries as an annual contribution to the pension. Under such conditions it is comparatively easy to grant liberal pensions.

The contributions of the members must be credited to their personal accounts, while the contributions of the zemstvos are distributed in the following order: The cost of orphans' pensions must be secured; then any deficit of the fund shall be covered, unless previously met out of the reserve; then the remaining sum is distributed among the accounts of wives, but not to exceed two-thirds of the members' contributions for the same year; and finally, if there is still any remainder, it is distributed among the accounts of the members.

Of the profits of investments, etc., one-half must be assigned to the reserve until it reaches 10 per cent of all obligations of the fund; the other half and the entire profits after the reserve has been sufficiently built up are distributed among the members' accounts.

The members have the right to receive a pension at separation from service after 15 years of service. Pensions may be given to employees forced to leave the service on account of total disability due to illness after 5 years' membership. The detailed regulations are determined by the constitutions of the individual funds. If no pension is granted all the sums accrued to the member's credit must be paid out to him. The same is true if a member is forced to leave the service through disability before the expiration of five years. In case of separation without disability before the expiration of 15 years, the member receives only his own contributions, without interest if leaving the service before five years, and with compound interest at 4 per cent if after five years of service. After 10 years of service 25 per cent of all other sums credited to his account must be paid, after 11 years 40 per cent, after 12 years 55 per cent, after 13 years 70 per cent, and after 14 years 85 per cent of all such amounts.

In case of death of an employee after five years of employment the widow receives a pension until death or remarriage, etc., the amount depending on the accumulations to the credit of her husband. If an employee dies before the end of five years of service the widow receives in one payment the sums credited to their accounts. Pensions must also be given to the children in case of death of the member after five years of service, to be paid until 18 years of age or marriage, and may be extended until the completion of secondary education, but not later than the age of 21. The same conditions as exist in the State Railway Employees' Pension Fund, modifying the pension, are made in case the children receive a scholarship from some other source.

A demand for the payment of the capitalized value of the pension may be made by the employee when the pension does not exceed one-fourth of his average salary for the entire period of service, and by the widow when it does not exceed one-sixth of the average salary. In all pensions to employees and widows, but not to children, the capitalized value of one-fourth may be requested by the pensioner.

The administration of the pension is left to the zemstvos and its administrative council (the *uprava*), while members of the fund may be invited into the special committee in charge of the fund.

These are the general requirements which the law demands from the pension funds. The individual funds may vary within the prescribed limits, but each individual constitution requires the approval of the Ministry of Interior. To expedite matters a standard constitution has been prepared by the ministry, by accepting which the

time necessary to obtain the approval is materially shortened; while the introduction of material changes in the model constitution has in some cases led to considerable delay.

The constitutions of the pension funds organized since 1900 are fairly uniform; the deviations from the normal constitution are not many, though some are important. The sources of revenue are uniform, though a few pension funds started with the transfer of large accumulations, made for old-age pensions, while others had no capital to begin with. The contributions from the members are usually as stated above, though one fund demands an initiation fee equal to one and one-half months' salary instead of 6 per cent of the annual salary; while in another fund the zemstvos contributes 8 per cent of the annual salaries instead of 6 per cent. In some funds no salaries are considered as above 2,000 rubles (\$1,030) for pension purposes, while others have no such limitations. Uniformly, any per diem expenses or traveling allowances, though paid in regular annual amounts, and also the part of salary designated for renting a home is not included, it being the custom of the zemstvos either to provide their employees with lodgings or to pay a specified sum for renting same.

All funds grant a pension to the employee at the time of leaving the service after at least 15 years; most funds grant a pension to disabled employees leaving the service after at least 5 years, though a few have preferred the payment of a lump sum equal to all accrued rights. The computation of amounts paid at time of leaving the service after 5 to 15 years for other reasons than disability is uniform and agrees with the plan demanded by the law and explained above. If the employee's wife is living at the time of his leaving the service without a pension, he is also entitled to certain payments on her account, as follows: If the employee leaves before the expiration of 5 years of service because of total disability, or before 15 years of service because his position is abolished, or if he leaves it for any reason at the age of over 60 years, then he is entitled to receive the entire amount credited to his wife's account.

If he leaves for any other reason he receives only his voluntary contributions to the credit of his wife, and in addition after 5 but less than 10 years of service, 10 per cent of all other amounts credited to his wife; after 10 years of service, 25 per cent; after 11 years, 40 per cent; after 12 years, 55 per cent; after 13 years, 70 per cent, and after 14 years of service, 85 per cent of all other amounts credited to his wife's account.

Almost no variations are found in the regulations concerning the children's pensions. These are not based upon the accumulations of individual credits, like the pensions or other benefits of the employ-



ees or widows. For that reason a special fund is provided for children's pensions.

The conditions of these pensions are specified in the general law, and have been stated before. The amount of the pension is computed as follows: Each child of a deceased employee having one parent living receives for each year of the present service one-half of 1 per cent of the latest salary which the deceased parent received for a full year. An orphan receives 50 per cent more than the half-orphan. The maximum sum of pensions to all the half-orphans left by an employee must not exceed 50 per cent of his salary. The pension for orphans must not exceed 75 per cent of the salary nor be less than 20 per cent. Pensions for death of the mother are not paid unless the father is completely disabled from earning a livelihood and is not receiving any subsidies from the fund. If both parents were employed in the same zemstvo, and the father dies, the children receive their pensions if the mother continues in service; when both parents die they receive the greater of the two pensions to which they are entitled.

The financial arrangements are also similar to those of the State Railway Employees' Pension Fund. Each member has a personal account to which all his obligatory contributions are credited. Voluntary contributions are assigned according to the wishes of the member, if consistent with the rules. Among these individual accounts are also distributed the remaining part of the monthly contribution of the zemstvo after the other obligations have been met, the profits and income from investment, or that part of it which does not go into the reserve (in which distribution the wives' accounts sometimes share equally with the members' accounts), and all other revenues not specially provided for.

Individual accounts are also kept for the wives of the married members. The credits of these accounts are taken from the obligatory zemstvo contributions after deducting the necessary amount for the children's fund and for covering any existing deficits for which the reserve is insufficient. Within each year not more than two-thirds of the obligatory monthly contributions of the members may be credited to their wives' accounts. The profit or income from investments, or at least that part which does not go into the reserve, is distributed among the wives' accounts, as well as among the accounts of members.

A special orphans' fund is established to guarantee the pensions to children. This must always be kept at the level corresponding with the amount of the orphans' fund obligations at the time, as computed from statistical data of mortality, etc. The income from fines is turned over to this fund, also accidental revenues, bequests, etc., without designation of purpose. The fund is kept at the



required level by adding to it the necessary amount from the monthly contributions of the zemstvos.

In addition there is a reserve fund. One-half of the profits and income from investments goes into the reserve. When pensions or parts of pensions are capitalized, 5 per cent of the sum paid to the pensioner is turned into the reserve, also unclaimed amounts due, and a few minor revenues, until the reserve amounts to 10 per cent of all the obligations of the pension fund. When this limit is reached, all these sources of income are distributed among the individual accounts of the members and their wives proportionally to the amounts credited to these accounts from the regular monthly contributions of the zemstvos. In some funds this distribution is made proportionally to the total amounts of these individual credits. A variation found is in distributing all extra sums so as to favor the employees receiving smaller salaries. This is accomplished in various ways. One is to divide the sum to be distributed into two unequal portions, then to distribute the larger portion among all members' accounts and the smaller portion only among those members receiving not more than a specified salary. Another method is to divide the employees into two or three classes and to give to the employees receiving smaller salaries a greater share per amount of salary than to the higher employees.

As in the railway funds, the rate of interest to the accumulations during the year depends upon the age, varying from 4.52 per cent at the age of 17 years to 8.85 per cent at the age of 70.

In determining the length of service, normally the years of continuous service in the particular zemstvo, with participation in the fund, are counted. At the time of opening the fund the years of previous service were taken into consideration. If the employee leaves the service before he is entitled to a pension, receiving a lump sum, and then reenters service, the years of his previous service will be counted if he reimburse the fund for the payments he and his wife had received. Otherwise he is considered a new employee. If the employee at the time of reinstatement receives a pension, and his new salary is greater than the pension, the payment of the pension is stopped, but its capitalized value at his age at the time is credited to his account. If his new salary is smaller than his pension, he is permitted to receive the pension. It is a rule of almost all funds that persons transferred from service in one zemstvo to that of another zemstvo may transfer their membership and all credits in the funds, including a credit for the years of service in the former.

The procedure prescribed by the standard constitution has been adopted by all new funds. It provides for thorough medical examinations whenever the pension for disability is claimed, and medical reexamination once a year.

In other cases documentary evidence as to age, length of service, etc., is sufficient. The adjustment of claims must be made within two weeks. Pensions must be paid in monthly installments. Lump-sum payments to widows are paid out at one time; to members only one-half of the lump sum due is paid at the time, the other half in six months, unless the member dies within that time, in which case the second half reverts to the reserve. Applications for capitalized value of pensions must be made within two weeks after the determination of the pension and before the first pension is paid. The administration may decline the application if made after two weeks; while applications made after receiving the first pension payment are not considered. Persons making no application for pension within two years, or taking no advantage of the pension granted, lose their right to claim the pension for the time expired. After 10 years they lose all their rights, and the value of the pensions or benefits is transferred to the reserve. The statistical basis upon which all computations are made must be revised every five years, but if any changes are found necessary the pensions granted, or the individual credits, must not be diminished in consequence.

The administration of the fund differs considerably from that of the railway pension fund in that the membership scarcely participates in it. The executive board of the provincial zemstvo (*Gubernskaya Zemskaya Uprava*) and a special committee, with the chairman of this board as chairman and chairmen of the boards of the district zemstvo as members, administers the affairs of the fund. The general supervision over the activity of these executive organs is left to the provincial zemstvo, which may add some members of the fund to the committee; and which must approve the budget for the expenses of administration. The main supervision over all funds is in the hands of the insurance committee of the Ministry of Interior.

Detailed annual reports, together with all required statistical information in regard to the membership, must be presented by the executive board to the zemstvo and, after being approved by the latter, are forwarded to the Ministry of Interior.

#### PRIVATE PENSION FUNDS.

The old-age pension funds described above, except those of private railroads, embrace only government institutions. The activity of the Government in regard to the broad field of old-age and invalidity insurance of private employees is as yet limited to plans and legislative proposals. Private initiative has done but little in the way of pensions for the wage-workers of the country. Among the salaried employees the pension fund principle is popular; applications of it are found among the employees of the zemstvos as described above,

among the employees of municipalities, and of many large financial, commercial, and manufacturing institutions.

The best known old-age pension institutions for wage-earning employees of private industrial establishments are the miners' funds of the Polish mining and metallurgical industry, but these have already been described in connection with the topic of sickness insurance.

#### **EFFORTS FOR REFORM.**

#### **EFFORTS OF THE SOCIETY FOR ENCOURAGEMENT OF RUSSIAN INDUSTRY AND COMMERCE.**

Early in 1902 the question of labor insurance was raised in the Society for Encouragement of Russian Industry and Commerce, and three commissions were appointed for the consideration of the three main branches of labor insurance, all under the chairmanship of and in collaboration with important officials. One of these commissions undertook the study of the problem of old-age insurance; and when the committee of ministers, on December 24, 1904 (January 6, 1905), established, in conformance with the imperial ukase of December 12 (25), 1904, a labor insurance commission under the Ministry of Finance, the material collected by the society was turned over to that commission.

In the opinion of the commission, an old-age insurance system must include all classes of wage-workers, not excepting the agricultural laborers and domestic servants, and insurance against invalidity in addition to that against old age proper. In regard to the age at which the regular old-age insurance should begin, no unanimous decision was reached, but the majority of members of the commission were in favor of a 60 or 65 year age limit. The question of pensions for the widow and orphans was discussed. As was shown above, such pensions, within certain limitations, are an essential part of all the government employees' old-age insurance funds. But such pensions require an additional cost which would be considered excessive in the beginning, besides presenting many technical difficulties in view of the absence of necessary statistical data, and it was thought wiser to disregard the demand for widows' and orphans' pensions in the immediate agitation for old-age and invalidity insurance.

The system of percentage deductions from wages, with individual accounts, was not considered feasible in view of the very low standard of wages. Instead, a system of arbitrary weekly contributions was thought preferable. For the purposes of such contributions it was suggested that the wage-workers be divided into classes according to their earnings: (1) Those earning less than 60 rubles (\$30.90) annually; (2) those earning from 60 to 120 rubles (\$30.90 to \$61.80); (3) from 120 to 180 rubles (\$61.80 to \$92.70); (4) 180 to 300 rubles (\$92.70

to \$154.50); (5) 300 to 480 rubles, (\$154.50 to \$247.20); and (6) 480 to 1,000 rubles (\$247.20 to \$515.00). Whether workers earning more than 1,000 rubles (\$515) annually should be required to insure against old age and invalidity was not definitely decided. For each of the six classes enumerated, definite weekly dues are to be collected, with an equal contribution from the employer, while the state treasury should contribute at least one-third of the value of the pension, and even more when necessary to bring the pension up to the required minimum. To members of each group a definite pension is to be paid, either at the regular age or at the establishment of disability from invalidity, but in no case unless 200 weekly payments had been made.

While no definite scale of pensions was prepared by the commission, yet in a report to the commission by one of the members the proposed pensions for the six groups were 18, 30, 48, 72, 120, and 180 rubles per annum. (\$9.27, \$15.45, \$24.72, \$37.08, \$61.80, and \$92.70.)

It was freely admitted at the time that the almost entire absence of statistical data made a scientific adjustment of contributions and cost of the pension impossible, but the need for pensions was stated to be so great that it did not permit of a delay until such data could be completed. It was expected that in the beginning the cost to the treasury might be heavy, but a gradual adjustment through periodical revision of rates could meet that difficulty in time.

#### PLAN OF 1905 FOR A GENERAL OLD-AGE INSURANCE SYSTEM.

The first comprehensive governmental plan for old-age and invalidity insurance of workmen employed in private establishments was published in 1905 as a part of the general workmen's insurance plan, the other parts of which were analyzed in preceding sections of this chapter.

This plan was somewhat of a compromise between the pension funds for government, zemstvo, and railroad employees, described above, and the plan of the Society for Encouragement of Russian Industry and Commerce. The pensions are based upon the value of the individual accumulated accounts, which consist mainly of equal contributions by the employers and employees. Special pensions are also provided for in cases of invalidity for widows and children. The main differences between this plan and the existing pension funds are, on the one hand, the guarantee of a minimum pension; when the accumulations do not cover its cost, the difference must be paid from the reserve, and the state treasury is to meet the obligations of the reserve if its funds are exhausted. That is to a slight extent a direct subsidy of the state treasury to the old-age and invalidity insurance. On the other hand, the obligatory payments

of both employer and employee are much smaller than in the described pension funds. Where those payments equaled 9 to 12 per cent of the wages, besides many other important sources of revenues, fairly large pensions could be paid after comparatively short periods of service. The contributions according to this plan of 1905 are greater than those contemplated by the Society for Encouragement of Russian Industry and Commerce; yet they equal only 3 per cent from each side. As a consequence the pensions must be quite small, but larger than in the earlier plans; this is evident from the amounts of the guaranteed minimum. After 25 years of membership in the fund the guaranteed minimum is only 36 rubles (\$18.54) per annum, or \$1.55 per month; and for invalids after five years only 24 rubles (\$12.36), or \$1.03 per month. Widows' pensions are granted only if the workman dies while a member of a fund, but not after he has received a pension.

#### PLAN OF 1906.

A radical change in the attitude toward the problem of old-age insurance took place in the conferences which elaborated the insurance plans of 1906. While the desirability of such insurance was still recognized, grave doubts were expressed as to its feasibility for the immediate future. It was pointed out that even in Germany the introduction of accident and sickness insurance preceded that of old-age and invalidity insurance by many years, and that that was the natural sequence in all other countries gradually working their way toward a complete system of obligatory social insurance.

The greatest difficulty was found in the peculiarities of organization of Russian industry and commerce, with the predominance of small artisans' shops, hand trades, home industry, and other branches of semiindependent workers. The simultaneous extension of the old-age insurance system over the entire body of industrial, commercial, and transportation wage-earners was thought out of the question, and under such circumstances the shifting of the wage-earners from a class of service included in the old-age insurance scheme to another not so included would be a very frequent occurrence, and the retention of the contributions made by the employee to the fund would work an injustice.

As a matter of fact, almost all existing Russian old-age pension funds repay the contributions of the insured at separation from service after a very brief period of service (usually two years). The German system of nonrepayment of these contributions would meet very strong opposition, and, on the other hand, the practice of repayment would be so frequent as to make the payment of pensions exceptional and also very difficult. In this combination of circumstances the commission of 1906 saw a cause of an automatic breakdown of the old-age pension system. It therefore proposed that the plan for



introducing such a system be indefinitely postponed, and in its stead a system of savings funds for individual establishments was recommended. Such savings funds may be established either upon the initiative of the employer or by vote of the employees. Membership in the savings fund was to be voluntary unless at least three-fourths of the employees vote for its establishment; in that case the establishment of the fund is mandatory and membership obligatory for all wage-workers employed at the time or subsequently. Under the voluntary organization the amount of savings is left to the discretion of the employees, but in the obligatory funds the savings are regulated by the proposed law, which requires them to be not less than 2 per cent nor more than 4 per cent of the earnings. These obligatory funds are more than savings funds and may be termed savings and benefit funds, for the employers are required to add at least 25 per cent to the contributions made by the employees. The accumulations are paid to the employee at the time of leaving his employment, according to the following regulations: The individual savings unconditionally, and of the benefits contributed by the employer 30 per cent after 3 years of service and 10 per cent additional for each additional year of service. Besides the savings and benefit fund, a surplus fund is also established, into which those portions of the benefit fund are turned which have not been paid out because of premature separation from service, and this fund is to be used for granting benefits to families of deceased employees. The savings funds are also permitted to grant loans to the members. The administration of these funds is to be intrusted to the general members' meetings and a board of directors consisting of representatives of the employer and employees.

Only in a very indirect way are these planned funds connected with old-age insurance. The only element is the gradual acquisition by the employee of a right to the employers' contributions to the saving fund. These rights are fully acquired in ten years, but at best they have a small value. With the average earnings of about \$100 per annum, the workmen's average contributions will be from \$2 to \$4 a year and the employers' average contribution to the benefit fund from \$0.50 to \$1.

#### PLAN OF 1907.

Notwithstanding the conclusions of the conference of 1906, which were discouraging to the idea of immediate organization of old-age and invalidity insurance, the Ministry of Commerce and Industry continued its work on the further elaboration of an old-age insurance plan, the results of which were published, together with much explanatory material, in May, 1907. This bill was not introduced in the Duma until June, 1908, together with the other insurance bills, and



so is evidently not considered a matter for immediate consideration; nevertheless the bill shows the gradual growth of the influence of the German insurance methods in Russia. While the plan of 1905 was based upon the system of personal accounts, thus following the existing pension funds for salaried employees, and the plan of 1906 had taken another step away from the pension principle toward simple saving, with a few slight benefit features, the plan of 1907, on the contrary, shows a strong tendency in the opposite direction. It is much nearer to the suggestions offered by the Society for Encouragement of Russian Industry and Commerce in 1902.

The bill was intended to establish obligatory old-age and invalidity insurance for all wage-workers and employees over 15 years of age in industrial, trade, commercial, and financial establishments. The central insurance office, to be established, shall have the right to extend this system of obligatory insurance to the following classes of persons either throughout the Empire or in definite regions: Domestic servants, independent artisans who do not employ any hired labor, persons belonging to "artels" (industrial cooperative groups), or performing work on order, even if they employ labor, but work together with their employees.

The following groups are excepted: (a) Agricultural laborers and employees of rural industrial establishments; (b) employees receiving no other compensation except subsistence; (c) privates in the army and navy performing industrial labor as a part of their duties; (d) aliens; and (e) persons over 60 years of age at the time of organization of this insurance system, or who had lost at least two-thirds of their working ability; also persons who at the time of adoption of the law hold membership in any pension fund granting old-age and invalidity pensions not inferior to those established by this act.

Furthermore, the following persons may be freed from the obligation of insurance if they so desire: Those who are not employed over twenty weeks throughout the year in establishments subject to compulsory insurance, and persons receiving pensions not inferior to the minimum pensions established by this bill, either from accident insurance or from any existing pension fund.

Thus the exceptions embrace a considerable class of wage-workers. The exception of agricultural laborers is perhaps the most important one. Next to it may be placed the group of persons employed not over twenty weeks per annum. That may include a great many persons in construction, building trades, and in such seasonal trades as sugar manufacturing and refining.

The amounts of old-age or invalidity pensions, funeral expenses, and also of weekly contributions depend upon the wages of the insured, who are classified for this purpose into five groups, as shown in the following tabular statement:

## CLASSIFICATION OF INSURED PERSONS ACCORDING TO THE OLD-AGE INSURANCE PLAN OF 1907.

[Source: Official text of the bill and report accompanying same.]

Class.	Annual wages.	Old-age pensions.	Basic invalidity pensions.	Additional invalidity pension for each paid-up week.	Weekly premium.
1.....	\$103 and under.....	\$24. 72	\$18. 54	\$0. 015	\$0. 052
2.....	Over \$103 to \$206.....	37. 08	24. 72	. 031	. 103
3.....	Over \$206 to \$309.....	49. 44	30. 90	. 046	. 154
4.....	Over \$309 to \$412.....	61. 26	37. 08	. 062	. 206
5.....	Over \$412 to \$515.....	74. 16	43. 26	. 077	. 258

In computing the annual earnings the value of all compensation, food, lodgings, etc., must be considered; the annual earnings are taken as equal to 12 times the monthly earnings, 52 times the weekly earnings, or 280 times the daily wages. In case of piecework the class is determined by agreement between employer and employee, or by reference to an insurance inspector.

The premiums are to be paid weekly and in the amounts indicated in the table. The payments made while the insured person is employed are obligatory, and equal shares are contributed by the employer and employee. Voluntary payments may be made during nonemployment and then entirely by the employee. The level of old-age pensions is definitely established. To receive an old-age pension a person must be at least 60 years of age and show at least 1,000 "paid-up weeks." In addition to the number of weeks for which the premiums were actually paid in, either in the form of obligatory or of optional payments, the privilege is given to count the time spent in military service, or the time of disability due to sickness not to exceed 4 weeks in one year; in case of maternity, 8 weeks may be counted in one year. The right to a pension lapses when less than 40 weeks are paid up during two years. It may be reestablished by paying up new 200 weeks. The right to the pension is lost at death of the pensioner, or when the pensioner is granted another pension at least equal in amount, for disability resulting from injury. It may be suspended temporarily under certain conditions.

If an insured male person dies before acquiring the right to a pension a funeral benefit, equal to two-thirds of the annual value of the old-age pension of the same group to which the last 40 premium payments belonged, is paid to his widow or children. When these payments were distributed between different wage groups, a corresponding adjustment is to be made. In case of death of a female married insured person the surviving husband receives this benefit only in case of disability and dependency upon the earnings of the deceased wife.

The pensions for invalidity (inability to work) are granted either permanently or temporarily, without consideration as to age, but not before premiums for at least 200 weeks have been credited to the account of the insured, of which at least 100 weeks must have been actually paid in. The basic invalidity pensions as shown in the above table are smaller than the old-age pensions. In the five wage groups they represent, respectively, three-fourths, two-thirds, five-eighths, three-fifths, and seven-twelfths of the old-age pension. But the invalidity pensions are increased with the length of service. For each "counted in" insurance week a small increment is added to the annual value of the invalidity pension; provided, however, that only when 40 weeks have been counted within one calendar year, or 80 weeks within two calendar years, are these increments added. Only the first and the last years of insurance are excepted from this qualification, all the counted weeks giving the right to additional increments, no matter how many or how few there were within one year. Methods of computing the old-age pensions and basic invalidity pensions in case of change from one group to another during the insurance period are given in the bill.

The main revenue is to be derived from the weekly contributions. Many minor sources are mentioned, such as fines, proceeds from sale of insurance cards and pension books, incomes from investments, and fines and penalties; but with all these the need of a substantial subsidy from the state treasury is expected. This subsidy is of a double nature, first, the payment of the premiums for insured persons while performing military service; and, second, in meeting part of the cost of each old-age or invalidity pension, namely, 2 rubles (\$1.03) per month. The amounts thus due are to be paid every four months and in advance from the treasury into the insurance fund. The premiums during military service are to be computed at the minimum rate, 10 copecks (5.2 cents) per week. The cost of pension payments, of administration, and of medical care of pensioners are charged to the insurance fund. The fund must be placed on deposit with the state treasury, and that part of it which is not needed for current operation is to be invested in government securities or other designated securities.

The payment of weekly premiums is planned in accordance with the German system, which the bill closely follows in many details. Each insured person has a personal insurance card. The weekly premiums are paid by means of stamps pasted on this card by the employer, who is authorized to deduct half their value from the wages of the employee. Instead of additional voluntary contributions, provided for in earlier schemes, the bill permits the employee to have a stamp of a higher denomination than on his card, provided he pays the entire difference in cost. Full insurance cards are

exchanged for new ones by the insurance agencies when the number of weeks counted in for other seasons is certified to.

For the purposes of administration of this pension system a new administrative system is proposed by the bill, headed by a central insurance office, district insurance offices, insurance inspectors, insurance agencies, and county (*wiezd*) insurance councils. The entire administrative machinery is subject to the Ministry of Commerce and Industry. The agencies are planned in connection with offices of the state savings bank, post-offices, and other financial or administrative institutions of the central government and local governments, and sick benefit funds or insurance associations. These agencies perform mainly such financial operations as require relations with the insured persons or their employers. The insurance inspector supervises the activity of these agencies within his district and also regulates the administration of the law within that district. The district insurance office may be appealed to against the decisions of the inspectors, grant pensions or benefits, and administer the insurance funds in its district, etc. The general supervision of the law and the final decision of doubtful cases is left with the central insurance office.

The bill does not contain any provisions as to the mode of meeting a possible deficit beyond the demand that the rate of premium be revised not later than ten years from the organization of the fund, on the basis of statistical information obtained during the first years of its activity. A very careful actuarial computation of the expected cost of the old-age and invalidity pension was made in connection with the preparation of the bill, and the results of this computation used for determining the premium rates.

The annual premiums necessary, according to this computation, to meet the cost of the pensions are compared in the following table with the actual rates proposed in the bill. In this comparison it is assumed that there would be, on an average, 40 weekly premium payments per annum. It is also shown that the treasury subsidy of 24 rubles (\$12.36) per pension is equal to a premium of 1.62 rubles (83.4 cents) per annum.

COMPUTED NECESSARY PREMIUMS COMPARED WITH PREMIUMS PROPOSED IN THE OLD-AGE INSURANCE PLAN OF 1907.

[Source: Official text of the bill and report accompanying same.]

Class.	Necessary annual premium.	Annual premium proposed.	Annual value of government subsidy.	Total premium cost.	Surplus available for administration.
1.....	\$2.26	\$2.06	\$0.83	\$2.89	\$0.63
2.....	4.04	4.12	.83	4.95	.91
3.....	5.98	6.18	.83	7.01	1.03
4.....	8.12	8.24	.83	9.07	.95
5.....	10.45	10.30	.83	11.13	.68

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## **CHAPTER X.**

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### **WORKMEN'S INSURANCE IN SPAIN.**

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## CHAPTER X.

### WORKMEN'S INSURANCE IN SPAIN.

#### INTRODUCTION.

Spain is probably the least industrially developed country of western Europe, a very large proportion of its population being engaged in agricultural pursuits. Unfortunately the statistical information concerning Spain is very scant. The latest occupational statistics, published by the Instituto Eugrafics y Estadístico, refer to 1889. They showed the following distribution:

POPULATION OF SPAIN BY OCCUPATION OR INDUSTRY, 1889.

Occupation or industry.	Persons employed.	Occupation or industry.	Persons employed.
Agriculture.....	4,854,742	Teachers, etc.....	39,136
Industry (textile and mineral).....	243,867	Hotel keepers, etc.....	14,449
Commerce.....	194,755		
Arts and trades.....	823,310	Total, known occupations.....	6,908,981
Domestic servants.....	409,549		
Merchant marine.....	115,764	Leisure classes.....	29,918
Professions (legal, medical, etc.).....	84,510	Asylum inmates.....	91,228
Religious (Catholic).....	72,077	Pupils in schools and colleges.....	1,719,955
Public employees.....	97,257	Not reported.....	8,728,519
Private and railway employees.....	49,565		
		Grand total.....	17,568,590

Thus of about 7,000,000 persons with known occupations, industry (textile and mineral) claimed only 3½ per cent and agriculture nearly 70 per cent. Adding together industry (textile and mineral) with arts and trades gives, for 1889, only a little over a million (1,067,177), or about 15 per cent of all persons with known occupations.

While the industrial activity of Spain must have increased considerably during the last twenty years, it is still very much below the other countries of western Europe.

Only the first steps have as yet been made by Spain in the field of workmen's insurance. The present status may be summarized in a very few words: Only two important measures have been passed in Spain concerning this field of labor legislation—the accident compensation act of January 30, 1900, and the act of February 27, 1908, establishing a national institute for old-age pensions, which began operations in 1909. The first-mentioned act introduced in Spain the system of compensation of workmen for industrial accidents in place of the older system of employers' liability. While putting upon the



employer the entire cost of such compensation, the Spanish act leaves the question of insurance to the option of the employer, though it endeavors to regulate and control the insurance companies writing accident insurance. The old-age insurance institute act of February 27, 1908, establishes only voluntary insurance of workmen against old age at their own cost, but with some subsidy from the State.

Thus the entire system of workmen's insurance in Spain is voluntary. The same holds true in sickness insurance, as far as this term can be used, there being in Spain a certain number of mutual benefit societies, whose most important function is mutual help in case of sickness. The membership of these societies is not very large, and any information concerning them is difficult to obtain. This chapter of the report, therefore, treats principally of accident insurance. The history of the law of 1900 is followed by an analysis of its provisions, by a few data concerning its applications, and by an account of the efforts made during the last decade toward the reform and extension of the law. Statistics of accidents in Spain are so unsatisfactory that only the most important data are reproduced.

In connection with the question of sickness insurance only some statistical information concerning the mutual benefit societies can be given. Under the caption of old-age insurance an account is given of the history of the efforts of the Institute of Social Reforms to establish a national old-age insurance institute, which efforts terminated in the act of 1908, the provisions of which are analyzed. Mention is also made of an interesting proposal to introduce a system of modified life insurance for workmen as a function of the national old-age insurance institution in connection with the proposal of a law to encourage home owning among the Spanish workmen, such life insurance to act as security for the home in case of death of the purchaser.

It is evident that Spain is not a leader in the field of workmen's insurance. It is following slowly the example of other Latin countries of Europe.

### ACCIDENT INSURANCE.

#### HISTORY.

The accident compensation act (or "law in regard to industrial accidents," as its official title reads) of January 30, 1900, represents the most important Spanish legislation in the domain of labor insurance. Until the enactment of this law the compensation of workmen for industrial accidents was based upon the criminal and civil liability provisions of the Civil Code, which provisions were derived from the Roman legal ideas of responsibility for the results of one's

acts or for the acts of one's agent. Articles 1902, 1903, and 1908 of the Spanish Code are identical with articles 1382, 1383, 1384, and 1386 of the Code Napoleon, in effect in France and in Belgium, and the same requirements are found in the laws of Italy, Switzerland, Holland, etc. The results in Spain of the application of the laws relative to industrial accidents did not differ much from the results obtained in other European countries. By far the larger number of industrial accidents were uncompensated, while in the remainder compensation could be obtained only after expensive and prolonged litigation. It was stated by the Spanish delegate to the Third International Congress of Industrial Accidents and Social Insurance, held at Milan in 1894, that the absence from the Civil Code of any compensation provisions and the difficulty experienced in fixing the employers' liability had caused great neglect of all safety provisions and therefore increased the frequency of industrial accidents.

The shortcomings of the Civil Code were recognized as early as 1883, when the commission for social reforms (*Comisión de Reformas Sociales*) was organized to investigate the economic condition of labor in Spain. The question of compensation for industrial accidents was considered as one of the most important by the commission, and by June 7, 1887, it had formed the plan of a new liability act; but it took nearly thirteen years for an accident compensation law to be carried through the Spanish Cortes. The history of the repeated efforts in behalf of the injured workmen presents a picture of evolution from old to new socio-legal notions relative to employers' liability, a process of evolution which is far from complete, for, as will be shown presently, earnest efforts are still being made to extend and strengthen the law of January 30, 1900.

The bill formulated by the commission on June 7, 1887, proposed to extend the liability of the employer to all accidents which were not due to the negligence of the employee or to chance (whether "vis major," or ordinary chance). The burden of proof was to be shifted from the plaintiff to the defendant—i. e., from the employee to the employer. The employer's responsibility was to be taken for granted, unless he could establish that the accident was due either to the negligence of the injured employee or to unavoidable chance.

Thus the shifting of the burden of proof was the main proposed deviation from the old law, since the employer as before was to be responsible only for accidents due to his own or to his agents' negligence; moreover, the employer could withhold from the salary of the responsible agent the amount of indemnity he was sentenced to pay.

While the Civil Code makes the person guilty of negligence responsible for the whole amount of damages caused, the bill recommended by the commission in 1887 limited the amount of responsibility. When contributory negligence of the injured person was

established the courts were to adjust the claims to the respective degrees of negligence of both sides. This legislative plan was referred to a committee of the Senate, which returned it to the commission for social reform with instructions for further elaboration, suggesting that special attention be paid to the subject of prevention of accidents, and also to the creation of voluntary mutual insurance associations.<sup>(a)</sup>

The further study of the problem by the commission of social reforms led to the legislative plan offered by the commission on May 2, 1891.<sup>(b)</sup> This represented a step forward as compared with the plan of 1887, though the commission again took a middle ground between the principles of liability and compensation or insurance. The details of the plan were somewhat unique. The unavoidable character of certain accidents in industrial life constituting the so-called trade risk was recognized, and the principle of placing the responsibility for the results of such accidents on the industry as such was admitted. But an effort was made to draw a strict line of demarcation between such industrial accidents and "ordinary accidents" due to somebody's negligence, and it was thought that such "ordinary accidents" need not be treated any differently in industrial life than when arising under ordinary conditions and therefore should remain subject to the provisions of the Civil Code. While admitting the unsatisfactory condition of the problem under existing legislation, the commission concluded not to accept compulsory insurance as the best solution, using as arguments against the adoption of the German plan the high cost to the industry and the danger of encouraging carelessness on the part of employer and of employee.

The commission recommended that all accidents be divided into three classes: According to the employers' responsibility, to the injured employee's responsibility, and to the industrial responsibility or trade risk; only the latter class of accidents to be included under the proposed law. Such a law, in the opinion of the commission, had ten definite objects to accomplish: (1) Distinguish between an ordinary accident and an accident due to the nature of the industry; (2) leave the ordinary accidents under the jurisdiction of existing legislation and limit the special law to the "industrial accidents" proper; (3) define as carefully as possible what should be considered an industrial accident; (4) prepare a list of dangerous and health-injurious industries; (5) prepare a list of the most efficacious means and apparatus for the prevention of the more frequent accidents in each industry; (6) establish a graduated scale of compensation to the injured workmen who are entitled to it, from temporary and partial incapacity to fatal cases; (7) make the compensation depend upon

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<sup>a</sup>Arbeiter Versicherung im Auslande, Dr. Zacher, Heft XV, pp. 17-19.

<sup>b</sup>Congrès International, 2d session, Dr. Zacher, Berné, 1891, pp. 418-424.

earnings; (8) provide industrial tribunals (mixed juries) for deciding the questions of trade risk; (9) call labor delegates to testify regarding industrial accidents; (10) extend the jurisdiction of the special tribunals over the state industrial establishments.

The text of the legislative draft of 1891 endeavored to meet these requirements. An industrial accident was defined as an accident caused by the force or the speed of motors or machines, by the dangerous or injurious nature of substances employed in the industry, or by the condition of the atmosphere or the surroundings in which the employee is necessarily placed while at work. The Government was to publish complete lists (1) of the dangerous or injurious industries and (2) of apparatus and methods for prevention of accidents, with necessary explanations and diagrams. These lists were to be kept up to date and revised every five or ten years. The financial responsibility for such accidents was to devolve upon the enterprise. In order to measure and determine the responsibility it was to be ascertained to what extent the management of the establishment had made use of the preventive measures enumerated and described in the list. The employers were to be permitted to insure their employees, provided the indemnities to be paid by insurance companies were not below those prescribed by the proposed law. According to the draft of the law trade courts were to be established, which were to handle the cases and were to determine the amount of compensation to be paid; and labor delegates were to be heard in each case of industrial accident. Other accidents were left subject to the Civil Code.<sup>(a)</sup>

On June 5, 1894, the Government introduced in the Cortes a bill in accordance with the commission's recommendations. In doing it, the Government largely used the text prepared by the commission, but introduced two important modifications.<sup>(b)</sup> In order not to burden the home industry with excessive charges and because of the low standard of wages in the country, the scale of indemnity was reduced in nearly every case. The second important modification referred to the trade tribunals, or mixed juries, as they were designated in the original draft of the commission. The commission simply mentioned these tribunals as the proper jurisdiction for cases under this law, intending to introduce a special bill for their organization. In order to prevent the delay which would result from preparing this special law and to expedite the enforcement of the compensation laws, the Government introduced into its draft of the bill a few paragraphs relating to the organization of special tribunals. These were to consist of the mayor (*alcalde*) as chairman ex officio, and six members, namely, an attorney, an engineer, an employer, and a municipal

<sup>a</sup> Congrès International, vol. 2, 1891, p. 417 and ff.

<sup>b</sup> Ibid, vol. 5, 1894, pp. 155-158.

officer appointed by the mayor (*alcalde*), and two workmen elected by their comrades in the same occupation to which the injured person belonged. The tribunal was to make an effort to bring about an amicable agreement, but failing to do this it was to render its decisions by a majority vote. The procedure before these tribunals was to be brief, without legal formalities, and without appeal except for reasons specified, when the suit might be carried to the highest court.

To those persons who were in favor of compensating the workmen for accidents the bill of 1894 represented a certain step in advance of the earlier bill, inasmuch as it clearly admitted the doctrine of the responsibility of the industry for the results of trade risk; but besides the very low scale of compensation the chief drawback of the bill, it was claimed, lay in the fact that it did not at all do away with the costly and burdensome litigation; on the contrary, it exaggerated this evil by creating two classes of accidents (those that could be traced to the fault of somebody and those that could be credited to trade risk), with two legal systems, but with a very indistinct line of demarcation between the two classes, because of the great difficulty of defining an accident due to trade risk. The bill met with strong opposition and failed to become a law.

Nearly five years passed before the matter of compensation for industrial accidents was again brought before the Spanish Cortes. A bill to that effect was introduced in the Senate on December 2, 1899, by the Government, in conformity with a royal decree of November 30, 1899. Based mainly upon the French accident compensation act of April 9, 1898, this bill presented a great advance over all preceding proposals. Several European countries had passed compensation acts in the intervening years, and throughout industrial Europe there was a general approach toward compulsory insurance. The peculiar distinction between the trade risk and all other accidents due to somebody's fault (which was the chief feature of the plan of 1894) was discarded. The bill of 1899 excepted accidents brought about intentionally or through gross negligence of the victim or through force majeure. As far as the extent of the law is concerned, the industries to which it was to apply were carefully designated, and it included practically all manufacturing and transportation, agricultural labor only as far as the handling of machinery, and a few other less important branches of industrial life. The Government-owned establishments were made subject to the law on equal terms with private undertakings. This list remained practically unchanged in the final text of the law.

As between compensation by pensions and by lump sums, the bill favored the latter. Instead of definite sums, as in the draft of 1894, the later bill made the compensation dependent upon the earnings



of the injured. Substitution of pensions for lump-sum payments was permitted to the employers, if they guaranteed these payments to the satisfaction of the beneficiaries. The organization of special trade courts by special legislation was promised, but until that time the cases arising under this law were to be made subject to the jurisdiction of the courts of first instance.

These were the chief characteristics of the bill as introduced in the Senate on December 2, 1899, and sent to a special committee on December 5. On December 12 the bill was reported back from the committee with important changes, and further changes were made during the debates on the floor of the Senate, so that when passed on December 23 the bill differed considerably from the bill as introduced by the Government. Thus all employers who employed not over five workmen and who worked with them were excepted from the provisions of the law. On the other hand, while the original bill excepted manufacturing establishments where only human or animal energy is utilized, the exception of animal energy was taken out; to the establishments handling explosives or inflammable substances were added those handling toxic and unhealthy substances, and the work of loading and unloading was also added. Several minor concessions were granted to the injured and their dependents; to the death benefits were added funeral expenses not to exceed 100 pesetas (\$19.30); actual earnings were substituted for average wages; the minimum wage was increased from 1 peseta (19.3 cents) to 1½ pesetas (29 cents); and the maximum of 7½ pesetas (\$1.45) was stricken out; on the other hand, the age of children entitled to compensation, which was placed at 23 in the original bill, was reduced to 16 years, and in case of substitution of a pension to the widow for a lump-sum payment the pension was to be discontinued at remarriage and the pension of children at the age of 16. The most important change in the bill was the exemption of all accidents "due to the manifest fault of the victim," instead of those "due to the voluntary act or inexcusable fault of the victim." The term "manifest fault," while more difficult to define and limit, is much broader and permits of broader interpretation than "inexcusable fault."

The bill, in the form indicated, was placed before the Congress of Deputies on January 2, 1900, and referred to a committee, which reported favorably without change on January 12. Although the bill was thus recommended, the committee of the lower house expressed its opinion that the ideal solution of the problem would have been through voluntary insurance in mutual funds for each industry, but that such a system required a higher degree of education and development than Spain could claim at the time, and therefore for the present the system of direct compensation was the better.



The changes in the bill on the floor of the lower chamber were few, but some of them were important, namely, the two senate amendments were stricken out—the one excluding from the action of the law establishments with five or fewer employees, and the other excluding accidents due “to the manifest fault of the victim.” It was stated above that in the Senate this last phrase was substituted for “voluntary act or inexcusable fault.” In striking out the reference to the “manifest fault,” the lower house did not replace the preceding formula, and the bill in its later form was even more liberal than it was originally, only injuries due to vis major being excepted; the other changes were of a minor nature. The bill passed the Congress of Deputies on January 18, 1900; a joint commission accepted all the changes made in the lower house, and in its final form the bill was adopted in both chambers on January 27 and signed on January 30, 1900.

#### LEGISLATION IN FORCE.

The law of January 30, 1900, establishes the main principles, but goes little into details of procedure and administration. The Government was directed to publish all necessary regulations within six months. Several royal decrees formulating the necessary rules have been promulgated since then, namely, the decree of July 28, 1900, forming a complete set of by-laws; the decree of August 27, 1900, in regard to accident insurance companies; and the decrees of March 26 and July 2, 1902, extending the application of the law to the War and Navy departments, respectively. In addition, a large number of less important “royal orders” (*real ordenes*) interpreting certain articles of the law or modifying preceding decrees were promulgated from time to time. In the following analysis of the law all decrees and orders up to the close of 1910 have been considered:

#### INJURIES COMPENSATED.

The law guarantees compensation for all injuries to employees arising out of or in the course of employment, unless caused by vis major and altogether extraneous to the employment in which the injury occurs. As stated above, the exception of “accidents intentionally brought about by or due to the manifest fault of” the employee was stricken out in the lower house and only an indirect qualification as to fraud, imprudence, or negligence is left in the provision; when the accident is due to such conduct, the case must be carried to the criminal court, and the claim of the injured must be adjudged in harmony with the decision of that court. This provision applies to the employer as well as to the employee. Claims for damages for accidents not covered by this law remain subject to the provisions of the Civil Code.

## INDUSTRIES AND PERSONS INCLUDED.

The extent of the application of the law is carefully stated. It covers factories, mills, and workshops in which other than human energy is used; mines, salt mines, and quarries; metallurgical establishments, machine shops, and navy-yards; building and construction, and repairing, including the bricklayers' occupation, and subsidiary occupations, as those of carpenters, locksmiths, stonecutters, painters, etc.; establishments manufacturing or handling explosives, inflammable, injurious, or poisonous materials; construction, repair, and maintenance of railroads, harbors, roads, canals, dams, aqueducts, irrigation, and similar works; agriculture and forestry establishments utilizing motors with other than human power (the law applying only to those employees in these establishments who are exposed to the danger from the machinery); transportation on land and water, including high sea and internal navigation; fishing and other similar industries; street, sewer, and drain cleaning; warehouses, coal, wood, and lumber yards; wage-earners employed in theaters; fire extinguishing; gas works, electric stations, stringing and maintenance of telephone wires; installation, repair, and dismantling of electric wires and lightning rods; loading and unloading; and similar industries not specifically mentioned in the above list.

The law applies also to arsenals, power and ammunition works, and similar establishments owned by the Government; to establishments owned by the provincial and local communal governments, and to all public works. Special regulations concerning the application of the law to the employees of the War and Navy ministries were approved on March 26, 1902, and July 2, 1902, respectively. Accidents in military exercises and maneuvers and target practice have been included within the protection of the law.

The law applies to all workmen performing manual labor outside their own residences for some other person, whether with or without compensation, and including helpers and apprentices. In the Ministry of War the law applies not only to civilians employed in manual labor but also to enlisted men, not above the class of sergeant, performing such labor.

## BENEFITS.

The entire cost of compensation rests upon the employer. In the case of work given out by contract, the primary responsibility rests upon the contractor, but this does not destroy the subsidiary responsibility of the owner of the establishment. The state, provincial, and communal governments are treated like private employers for the purposes of this law.

The compensation paid may be classified according to the following four classes of injuries: Those leading to temporary disability, to permanent total disability, to permanent partial disability, and to death.

In case of temporary disability the injured employee receives from the employer an allowance equal to one-half of his daily wage from the day of accident until the day of recovery from disability or determination of the degree of permanent disability, or up to the end of one year. This allowance is paid for every day, including the holidays. If, after the expiration of that year, the disability still continues, the case must be treated as one of permanent disability. In addition to the allowance the employer must furnish the injured person with medical attention and drugs until recovery, or until such attention is no longer required. An exception is made for the injured enlisted man, who is supported by the State and receives medical treatment and medicines, but he is not entitled to the daily allowance in cases of temporary disability.

If the injury results in permanent total disability the employer must pay the injured employee an indemnity equal to two years' wages, but when the disability prevents the injured employee from working only at his usual occupation, but does not incapacitate him for all employment, the indemnity must equal only eighteen months' wages. When the disability for the usual occupation is only partial, though permanent, the employer must choose between providing the injured with some other employment at the old rate of wages or paying him an indemnity equal to one year's wages. These indemnities are in addition to those paid for temporary disability, and while treatment lasts medical help and drugs must be furnished. By the decree of July 28, 1900, the Government was authorized to institute a detailed investigation on the basis of experience gained from application of the law, with the view of preparing tables for the determination of various degrees of disability, which tables must conform to the rule that only such condition as prohibits any kind of labor be termed complete disability, while a condition prohibiting only the customary employment, but permitting some other occupation, must be considered as partial disability. In accordance with this order definite rules for determining the nature of permanent disability were established by the royal order of July 8, 1903. According to these rules the following injuries were to be considered as leading to total permanent disability: (1) Loss of both upper or both lower extremities, or of one upper and one lower extremity, or of their essential parts, i. e., hands or feet; (2) functional disorders of the locomotor apparatus, which as to consequences are analogous to loss of parts, of equal gravity with that of preceding rule; (3) loss of both eyes or of vision in both eyes; (4) loss of one eye, with loss of vision

in the other; (5) incurable insanity; (6) incurable organic or functional affections of the brain or of the circulatory or the respiratory systems, resulting directly from the mechanical or toxic effect of the accident.

The following injuries are classed as leading to partial disability: (1) Loss of right upper extremity, or of hand, or of all its fingers, even if the thumb remains, or loss of thumb and the second and third phalanges of all other fingers; (2) loss of entire left upper extremity, or of whole hand or of all the fingers; (3) loss of one lower extremity, or of foot or such portion of it as is necessary to erect posture or to walk; (4) functional injuries which may be taken as analogous to loss of parts as described above; (5) total deafness; (6) loss of one eye or of sight in one eye; (7) simple or double inguinal or crural hernia, or any other lesion which will influence the employer to decline to engage the worker for the same sort of work at which he was injured.

A combination of injuries leading separately to partial disability may put the case into the class of total disability if in addition to an injury leading to partial disability other injuries and lesions exist which, according to the following schedule, amount to 50 per cent reduction of ability, or to 42 per cent in a workman over 50 years of age, or to 36 per cent in a workman over 60 years of age. These limits are reduced by 2 per cent for women of all age groups, i. e., to 48 per cent, 40 per cent, and 34 per cent.

The schedule to be used for these calculations is as follows:

PER CENT OF DISABILITY ALLOWED FOR EACH SPECIFIED INJURY IN DETERMINING CASES OF TOTAL DISABILITY WHEN TWO OR MORE INJURIES EXIST.

[Source: Instituto de Reformas Sociales. Legislación del Trabajo, 1905.]

Nature of injury.	Per cent of disability.	Nature of injury.	Per cent of disability.
Loss of—		Loss of—Concluded.	
Right arm (a).....		Ring finger.....	9
Left arm (a).....		Little finger.....	13
Right forearm (a).....		Phalanx of any finger (a).....	6
Left forearm (a).....		Muscle (a).....	
Right hand (a).....		Leg (a).....	
Left hand (a).....		Foot (a).....	
Right thumb (a).....		Toe.....	6
Left thumb.....	30	Vision in either eye (a).....	42
Right index finger.....	24	Total deafness (a).....	
Left index finger.....	18	Loss of hearing in either ear.....	12
Second phalanx of right index finger.....	18	Double inguinal or crural hernia (a).....	18
Second phalanx of left index finger.....	9	Single inguinal or crural hernia (a).....	12
Middle finger.....	9		

\* This injury is of itself sufficient to establish the existence of partial disability.

The valuation of the minor accidents is for the purpose of assisting in the determination of total disability.

As shown presently, the determination of the degree of disability must be by mutual consent, and various regulations exist for settling disputes.

In case of death resulting from the accident the employer must meet the burial expenses up to 100 pesetas (\$19.30) and furnish one of the following indemnities: (1) If a widow and children or grandchildren under 16 years survive they receive a sum equal to the average daily wages of the deceased for two years; when among the surviving children under 16 years of age there are some from a previous marriage of the deceased the widow receives one-half of the indemnity, and the other half must be divided equally among the children, the widow receiving the share of her children, while the portion due to the children from the first marriage goes to the person taking charge of them, whether it be the widow or some one else; (2) if only children or grandchildren under 16 years of age survive, a sum equal to the wages for eighteen months; (3) when only a widow without children (this is the language of the law, and it was explained by the royal order of February 25, 1903, that by "without children" was meant "without children under 16") survives, a sum equal to wages for one year; (4) when only dependent parents or grandparents over 60 years of age survive, a sum equal to ten months' wages for two or more survivors, and seven months' wages for one survivor. These death benefits are paid in addition to any allowance for temporary disability made before death ensues.

The employers may substitute the following pensions instead of the death benefits described above, provided they secure the payments to the satisfaction of the injured person or his beneficiaries: (1) A pension of 40 per cent of the annual wages of the deceased when the widow and children or grandchildren under 16 years survive; (2) a pension of 20 per cent to the widow if no children survive; (3) a pension equal to 10 per cent to each dependent relative in an ascending line (parents or grandparents), with a maximum of 30 per cent. The pension to the widow is discontinued at remarriage and to the children at 16 years of age. Nothing is said in the law about pensions instead of indemnity when only children or grandchildren under 16 years of age survive. Such substitution of pensions for lump-sum payments is not permitted in the War and Navy ministries.

All indemnities are to be increased by 50 per cent when the accident happens in an establishment which failed to provide the measures for prevention of accidents required by the law.

Since the amount of compensation depends upon the wages or earnings of the injured, the method of determining them is of great importance. In case of temporary disability the law speaks of daily wages (*jornal diario*); in case of permanent disability, of earnings or salary (*salario*); and in cases of fatal accidents, of average daily earnings (*salario medio diario*). By wages is meant the actual remuneration received by the employee in money, or in any other form, per day, not counting the holidays. By order of November 5, 1902, it



was explained that in cases of permanent disability the actual wages on the day of accident must serve as the basis of computation.

In fatal cases the indemnities to the relatives are computed from the average wages of the deceased. In any case the daily wages must not be considered less than 1.5 pesetas (29 cents), even in case of an apprentice receiving no pay.

The part of remuneration which the employee receives in kind, in lodgings, or in any form must be estimated according to local customary prices. When the wages are contracted for a certain definite task, the average wages for similar work in the same or similar industry must be taken.

In case of enlisted men in the War Department, who do not receive their entire wages in cash, the compensation must be computed from the fair cost of food and clothing in addition to the pay. In case of task wages the computation must be based on the earnings for the preceding fortnight or the average wages of workmen in the same or similar occupation. The minimum daily wage is considered as 1.5 pesetas (29 cents). The same rules apply to the Navy Department.

#### GOVERNMENTAL SUPERVISION.

Insurance against risks under this law is not compulsory, but various efforts are made to stimulate voluntary insurance, the Government undertaking to exercise careful supervision over the insurance companies. The law permits the employer to transfer any or all obligations to any insurance company or association authorized by the minister of interior to carry such insurance, by paying the cost of such insurance, provided the compensation paid by such insurance company is not lower than that granted by the law. The ministers of war and navy, for whom specified regulations have been issued, are not permitted to insure against the risk of accident indemnities. Insurance organizations, whether mutual societies or stock companies, desiring such authorization by the Ministry of Interior must completely separate the accident insurance business from other insurance business, furnish separate security, accept the requirements of the law in regard to compensation, and furnish to the Government complete reports as to their activity and financial standing.

The accident insurance business is further regulated by the decree of August 27, 1900, and orders of October 16 and November 10, 1900. In applying to the minister of interior for authorization to do accident insurance business the insurance company must furnish a copy of its charter, by-laws, address, names of directors, and amount of capital. A list of authorized companies must be published in the *Gaceta de Madrid* every three months. Reasons for refusing an authorization or for withdrawing it and for excluding an insurance society from the authorized list must be stated in writing, and upon



demand of the insurance company must also be published. A private insurance company must deposit a bond of 225,000 pesetas (\$43,425) with the Ministry of Interior, and a mutual insurance company must deposit 5,000 pesetas (\$965). The bond is reduced in case the insurance company or association has other bonds deposited with the Ministry of Finance as security in other lines of insurance. The bonds may be given in government, bank, railroad, industrial, or other securities or in real-estate mortgages, provided the property is located on the peninsula or in the adjacent isles. When the value of the securities falls 20 per cent below the value when accepted, the bond must be replenished. The company or society must agree to be subject to the special Spanish tribunals for consideration of accident cases. It must furnish its constitution, by-laws, regulations, rates of premiums, rules in regard to formation of reserves, mortality tables, interest tables, tables for computing the reserves for life pensions, annual balance sheets, and complete records of their transactions, which data shall be used for annual publication of reports in regard to accident insurance companies. If practicable, a valuation of all obligations incurred by the insurance companies shall be made every five years. These reports may be verified by the minister of interior as the minister of finance may verify the reports of other insurance companies.

The insurance written by these companies must conform to the demands of the existing laws, especially as to the classes of accidents covered and the form and amount of indemnities. It must not be written at lower rates than those formally in force. Moreover, if the ministry should decide that competition among companies has reduced the rates below a safe level, as shown by the experience of accident insurance companies in other countries, it may legally establish minimum rates. To advise the ministry in this supervision of accident insurance a special commissioner general of insurance (*asesor general de seguros*) is appointed in the ministry and he is to receive as compensation the proceeds of a special annual registry tax, which has been placed at one-tenth of 1 per cent of the amount of bonds deposited with the ministry.

Mutual insurance associations are subject to the same regulations as the stock companies with the important exception of the very great difference in the amount of bond. Mutual associations must contain at least 20 employers and insure at least 1,000 employees. The early regulations required these employers to be in the same branch or at least in similar branches of industry, the grouping in the case of similarity to be determined by the Ministry of Interior until a classification of industries is established. This was declared to be an arbitrary limitation, which permits the federation of mutual associations consisting of many different groups of smaller size as

long as the requirements as to 20 employers and 1,000 employees are fulfilled by the entire association. The members of a mutual association are mutually responsible for the obligation until complete liquidation. They may reinsure the life pensions in any of the recognized insurance stock companies.

#### PROCEDURE.

Procedure under this act is regulated mainly by the royal decree of July 28, 1900.

Within twenty-four hours from the time of the accident the employer must notify the authorities, in writing, of the accident, giving time and place, name of the injured, his wages, place to which he was taken, names of witnesses, name of the physician who gave the first help, and name of the insurance company if the injured is insured. In case of an accident occurring on board of ship the report must be made within twenty-four hours after arriving at a Spanish port or at a foreign port having a Spanish consul.

When an accident has occurred, the employer is required to furnish immediate medical help and drugs. The first obtainable physician must be called in an emergency, but for subsequent treatment the employer has the right to choose the physician. The name of the physician so selected by the employer must be communicated to the authorities within forty-eight hours. In absence of such report, the physician who is treating the injured employee is assumed to act on behalf of the employer. The employer's physician must be given the same privileges as a court physician if the injured employee is taken to a hospital. The employer's physician must furnish the following certificates: (1) At the time of the accident, whether the injured person has been disabled from performing his work (all the details of the injury to be stated in this certificate); (2) at the time of recovery, with permanent disability, the character and extent of such disability; (3) in case of death, the death certificate, giving the result of autopsy if one was performed.

These certificates are sent by the physician to the employer, who must forward certified copies, each bearing his signature, to the authorities within twenty-four hours. The contents of the certificate of recovery, with degree of permanent disability, must be communicated to the injured person, who may state over his signature on the same certificate whether he agrees with its contents.

In case of disagreement as to the question of complete recovery or the degree of disability, the injured person may designate his own physicians to make a reexamination in conjunction with the employer's physician; all physicians present must fill out a certificate stating either the opinion agreed on or the causes of disagreement. In the case of disagreement three copies of the certificate must be

prepared, one each for the employer, the injured person, and the civil governor of the Province, and the latter shall forward the certificate with all the papers pertaining to the case to the academy of medicine, which renders final decision in the case. The opinion of the academy is communicated to the civil governor and a copy of it is furnished to the employer and to the injured employee. The same procedure is followed when death occurs some time after the accident and doubt is raised whether it was due to the accident. Also a medical examination as to recovery or disability must be made in those cases where criminal prosecution is begun against the employee for criminal negligence or misconduct. If both parties can agree, no intervention of the authorities is required for the settlement of claims. Nevertheless certain necessary formalities must be complied with so that a record of each case may be preserved. The employer is required to notify the authorities as soon as he begins to meet the obligations of the law, and also when the final settlement is made, when a pension is granted, or when the obligations are transferred by insurance. All the conditions must be stated in the report, which must be signed by the claimants or their representatives as evidence of their agreeing to their settlements.

In the capitals of Provinces all reports must be sent directly to the office of the provincial governor or to the local police office. In all other municipalities the reports must be sent to the municipal authorities, who in turn must immediately forward them to the office of the governor. In addition it is required, that the records of all cases be kept in the office of the civil governor, whence the statistical information is forwarded to the Ministry of Interior. In normal cases the registration limits the length of governmental interference in the cases.

While the settlement of differences arising out of claims is left to courts, the enforcement of the law and the regulations is in the hands of the civil authorities. When the employer fails to comply with any of the regulations, such as those requiring giving notice of an accident or furnishing medical help, complaints may be brought before the civil authorities. All such complaints are to be made in duplicate, one of which is returned as a receipt to the complainant with the signature of the proper officer.

The local civil authorities, upon receipt of such complaint, must immediately notify the civil governor and call upon the employer for compliance with the demands of the law and the regulations. If such action brings no result within forty-eight hours, the case is to be turned over to the judge of the first instance, who is to enforce compliance with the law. The civil governor is notified of this action. Failing to receive satisfaction from the local authorities, the interested party may appeal from their decision to the civil governor,

and from him to the minister of interior. Complaints arising out of differences of opinion in regard to the amount of compensation, but not out of noncompliance with the law, are to be turned over to the courts of first instance.

In all cases of noncompliance with the demands of the law and the regulations, the government authorities must support the complaints of the workers. Accordingly the local authorities inform the governor of any failure to comply with the law and the regulations, even if the injured employee has entered no complaint, or in case he has complained, if his complaint has not had the desired effect. The governor communicates with the employer and if necessary with the courts. All measures must be reported to the Ministry of Interior, but the ministry does not intervene unless the case reaches it through a complaint from either party or from the lower authorities.

By the original law, until the establishment of special tribunals for adjudication of such disputes, the cases under this act were placed under the jurisdiction of the courts of first instance and made subject to the rules for verbal procedure.

The time limit for entering suit is placed at one year. The employee appearing as plaintiff must be considered as a poor litigant, as far as expenses of litigation are concerned. All contracts waiving the benefits of the compensation act are to be adjudged null and void.

Though ten years have passed since the adoption of the compensation act, the courts of arbitration, consisting of employers and employees, have not yet been organized. On March 13, 1900—i. e., about six weeks after the adoption of the compensation act—a law was passed regulating woman and child labor, and communal and provincial commissions of social reforms were created for purposes of facilitating the administration of this law. The communal commissions were to consist of an equal number of employers and employees, not over six, the local mayor as representative of the civil authority, and a representative of the church. The provincial commissions of social reform consist of delegates from the local commissions, under the chairmanship of the civil governor. These commissions were to be established as a temporary measure until the adoption of a law in regard to the mixed courts of arbitration. Both parties may agree to submit their differences to these commissions in all cases except those involving criminal responsibility for the accident.

The procedure is slightly modified in regard to accidents to workmen employed in these two ministries. Whenever possible, first, an army surgeon, or, second, a navy surgeon, must be called to assist the injured employee of the Ministry of War, and the same rule applies in reversed order to the Ministry of the Navy. In either case a private

physician may be called in an emergency, if necessary. Further treatment must be left to the army or navy surgeon. The injured must enter a military or naval hospital, unless the physician in charge agrees to outside treatment. Refusal to be treated according to the official physician's order leads to loss of right to compensation. The necessary medical certificate is to be made by an army or navy surgeon, and when a disagreement arises between the surgeon and the injured employee as to the medical opinion it may be referred to two other army or navy surgeons, or to a board of two such surgeons and two physicians selected by the injured person. When there is a disagreement, the case is referred to the district military sanitary inspection office, which appoints a board of five with the chief inspector as chairman.

The reports of all accidents are sent to the office of chief of the military district, where a list of them is kept; reports of the cases where indemnity is granted are forwarded to the Ministry of War, and copies are sent to the Ministry of Interior. Applications for relief are made to the military governor and the amount allowed is charged to the appropriation for the work in which the accident has occurred, or to other funds if necessary. In case of disagreement, the injured or his dependents may seek redress before the judge of first instance. Similar rules govern the granting of compensation to employees in the Ministry of the Navy, naval officers being substituted for military officers in the regular procedure. The governors are required to transmit to the Ministry of Interior statistical schedules of accidents and indemnities and to publish annually statistics of industrial accidents. The form of blanks is prescribed. The preliminary report of the accident must be forwarded immediately to the ministry, and the complete statistical reports must be forwarded every three months. The employers are required to furnish all the information necessary for these reports. The duty of publishing these statistics was later transferred to the section of industry and commerce of the Ministry of Agriculture, Industry, Commerce, and Public Works, from which it was again transferred on December 31, 1904, to the Institute of Social Reforms.

#### PREVENTION OF ACCIDENTS.

A peculiarity of the compensation act is the inclusion in it of the subject of prevention or decrease of accidents, which were claimed to be excessive in Spain because of the inadequate use of methods of prevention.

For this purpose a technical commission was created to consist of one architect and three engineers, two of whom were named by and come from the commission (now institute) of social reforms and one from the Royal Academy of Exact Sciences. The members of this



commission were to serve without compensation. This commission was required to elaborate and present to the Ministry of Interior within four months a list of apparatus and measures for the prevention of accidents. The Government was ordered, after consulting with this commission, to issue regulations for the introduction of measures for the prevention of accidents and the protection of life, safety, and health of the workmen employed. It was further provided that the commission should establish a museum for the preservation of models of such safety appliances and for testing new mechanisms, with the view of including in the list those that proved to be serviceable.

The increase of the amount of compensation by 50 per cent where such required safety appliances have not been used is evidently intended mainly as a measure to stimulate strict compliance with the law.

In advance of the report of the commission the employers were required to use all possible means to insure the security of the worker. All customary precautions were made obligatory, such as railings on scaffolds, fences around wells, shafts, and ditches, signals when lighting fuses, brakes for elevators and transportation machinery, and similar appliances for new work and processes. Such appliances must be constructed with the purpose of protecting the worker against the consequences of ordinary carelessness which is the necessary result of continuous performance of dangerous work. In addition, the usual health and sanitary regulations must be complied with, and also the special orders of similar nature promulgated by the technical commission. Use of deficient machinery and appliances, execution of work with an insufficient working force or insufficient material, as well as intrusting unfit persons with dangerous work without giving them proper directions, shall be considered as negligence. Special care in complying with the regulations as to the safety appliances is demanded when children are employed in the establishments.

The list of safety appliances was published. It consists of six chapters, giving the required appliances for factories and workshops, construction, building, mining, generation and transmission of electricity, and commercial establishments and warehouses.

#### STATISTICS OF OPERATIONS.

Little information concerning the results of the application of the act of 1900 can be obtained, because statistical data are meager. The General Association of Insurance Companies published the following data concerning the number of cases compensated and the amount of compensation paid. It is probable that this table is far from being complete, but it is probably sufficiently accurate for the



purpose of showing the total and the average amounts of compensation, which amounts appear to be extremely small. The amounts expressed in Spanish denominations of pesetas were converted at the normal rate of 19.3 cents. As a matter of fact, however, the value of the Spanish peseta fluctuates between 14 and 17 cents, so the compensation is even smaller than shown in the table.

NUMBER OF ACCIDENTS TO WAGE-EARNERS AND COMPENSATION PAID, BY RESULTS OF ACCIDENTS AND YEARS, 1902 TO 1906.

[Source: Proyecto de Reforma de la Ley de Accidentes del Trabajo de 30 de Enero de 1900 (Instituto de Reformas Sociales, Sección Primera), 1906, pp. 718-719.]

Result of accident and year.	Number of acci- dents.	Compensation paid.	
		Total.	Per case.
Fatal:			
1902.....	162	\$42,874.54	\$264.66
1903.....	239	54,283.78	227.13
1904.....	244	59,008.52	241.82
1905.....	162	43,385.18	267.81
1906.....	158	32,216.42	203.90
Average for 5 years.....	193	46,352.69	240.17
Total permanent disability:			
1902.....	46	14,412.61	313.32
1903.....	38	10,662.34	280.59
1904.....	35	9,989.36	285.41
1905.....	73	25,529.89	349.72
1906.....	86	12,559.87	146.05
Average for 5 years.....	56	14,630.81	263.14
Partial permanent disability:			
1902.....	187	33,410.97	178.67
1903.....	325	54,686.09	168.26
1904.....	446	76,694.37	171.96
1905.....	395	61,167.00	154.85
1906.....	443	59,114.41	133.44
Average for 5 years.....	350	57,014.57	158.73
Temporary disability:			
1902.....	27,586	140,236.17	5.08
1903.....	31,368	173,618.03	5.53
1904.....	33,444	197,452.79	5.90
1905.....	26,686	175,541.43	6.58
1906.....	31,501	181,470.10	5.76
Average for 5 years.....	30,121	173,663.70	5.77
Total accidents:			
1902.....	27,981	230,934.29	8.25
1903.....	31,990	293,250.24	9.17
1904.....	34,169	343,140.04	10.04
1905.....	27,316	306,623.50	11.19
1906.....	32,188	285,360.80	8.87
Average for 5 years.....	30,729	291,651.77	9.49

If the data of this table are accurate, it is significant that the number of accidents each year does not show the tendency to increase that is shown in most countries under the influence of a compensation law.

These data include only accidents reported to insurance institu- tions. Since 1902 the Institute of Social Reforms has published an- nual accident statistics, which are on the whole less complete than the data of the insurance companies. For 1906 and 1907, these reports

state the number of accidents compensated by the employers directly and those compensated by the insurance companies. By reference to the data for these years, an approximate idea may be obtained of the extent of accident insurance practice by the Spanish employers. Of the cases in 1906 definitely reporting, 38.1 per cent were compensated by the employers, and 61.9 per cent by the insurance companies; in 1907, there were compensated 36.5 per cent by the employers and 63.5 per cent by the insurance companies.

NUMBER OF CASES OF ACCIDENTS COMPENSATED BY EMPLOYERS AND BY INSURANCE COMPANIES, BY RESULTS, 1906 AND 1907.

[Source: Instituto de Reformas Sociales. Estadística de los Accidentes del Trabajo ocurridos en los años 1906 y 1907.]

By whom compensated.	Cases of accident resulting in—			Total.
	Tempo- rary disa- bility.	Perma- nent disa- bility.	Death.	
<b>1906.</b>				
Employer.....	6,992	26	72	7,100
Insurance company.....	11,469	26	83	11,528
Not reported.....	4,172	17	69	4,258
Total.....	22,633	79	174	a 22,886
<b>1907.</b>				
Employer.....	8,428	59	89	8,576
Insurance company.....	14,819	34	43	14,896
Not reported.....	6,917	8	75	b 7,000
Total.....	30,164	101	207	30,472

<sup>a</sup> Not including 1,639 cases not compensated.

<sup>b</sup> Probably includes the cases not compensated.

It appears from the above data that insurance against accidents, though voluntary, became popular among the employers under the pressure of the law. No sooner were the law and the regulations promulgated than the insurance companies, both the domestic and foreign (French, Italian, and Swiss), reached out for the new business. During the first year of the application of the law 3,262 insurance contracts were issued, insuring 123,597 employees and collecting in premiums 678,569 pesetas (\$130,963.82). By 1906 ten private societies were inscribed in the authorized list of the private insurance companies. Because of the anxiety to acquire this new business the insurance rates were often reduced so low that it was not long before demands were made for establishing minimum rates through governmental regulation to secure the solvency of the accident insurance companies. Mutual associations also began to form, and by 1906 their number equaled that of the private insurance companies; but the number of workmen insured in these mutual associations is small, the number of compensated cases in 1906 amounting to only 2,054, or a little over 6 per cent of the total number.

The data of the insurance companies show that the highest amount of compensation paid was in 1904, when it reached 1,777,929 pesetas

(\$343,140). A rough estimate of 50 per cent of this sum, or 889,000 pesetas (\$171,577), for the cases not insured would bring the total cost up to about 2,667,000 pesetas (\$515,000) in round numbers. The high cost of insurance and the failure of mutual insurance societies to compete successfully with the private insurance companies would probably increase this amount. In the proposed reform of the law the encouragement of the mutual insurance companies occupies a prominent position.

#### PROPOSED REFORMS.

##### REPORT OF THE LABOR DELEGATES.

The movement for the revision of the compensation act of 1900 became noticeable in 1904, when the labor delegates of the Institute of Social Reforms presented the above-mentioned memorial, and after more than three years of preparatory work the institute on July 4, 1907, published a draft of a new bill for presentation to the Government. The report of the labor delegates took up each article of the law of 1900 for consideration and suggested the following modifications:

(1) The delegates claimed that the wording of the law of 1900 embraced all bodily injury done to the workman, i. e., not only accidental injuries, but also occupational diseases, and asked for specific changes in the language of the law to clear away possible doubts.

(2) In view of the adverse decision of the courts they asked for a clear statement that where the employee contracted not only for his own wages but for those of his assistant or partner he should be considered an employee and not a contractor.

(3) Again, in view of the adverse decision of the supreme court as to the compensation in cases of ordinary negligence the memorial asked for an explicit declaration that trade negligence, or that which follows habitual exercise of any occupation, should not relieve the employer from his obligation. Only ordinary negligence is mentioned; by implication cases of gross negligence are left out of consideration, though in the language of the original law nothing was said of cases where the employers were relieved of their obligations because of the negligence of the employee.

(4) The report energetically protested against the injustice of granting the right of compensation to certain classes of employees and denying it to others; especially against leaving out agricultural laborers; it suggested that all industries and branches of work be covered by the law.

(5) In cases of temporary disability an allowance of half the daily wage is granted by the law; the question of holidays remained

open and was by the order of November 5, 1902, decided in favor of paying the allowance for the holidays as well. The labor delegates asked that this order be embodied in the law.

(6) In case of partial permanent disability the law permits the employer to substitute reemployment at the old rate of wages for a money compensation. In the report the possibilities of abuse of this method are claimed to be self-evident, and the exclusion of this clause was suggested.

(7) In furnishing medical help and drugs the law permits the employer to choose the physician and the drug store. Only in case of disagreement as to the medical opinion does the workman have the right to choose his physician as one of the referees. In the opinion of the labor delegates the employee should have a right to have a physician at his own expense in addition to the employer's physician from the beginning of the illness. The employer having the right to select the drug store is often guided by considerations of cheapness rather than of quality. The injured employee should have the right to select the pharmacy most convenient to him. The medical certificate as to cure or permanent disability is necessary for entering the claim. The employer's physician by delaying the issue of the certificate may seriously inconvenience the employee. To remedy this, the law should demand the issue of the certificate on the same day on which the treatment is discontinued and make the failure to do so the presumption that medical treatment was necessary until the certificate was issued by this or another physician.

(8) In stating the compensation to the descendants of the deceased employee the law specifically mentions legitimate children. This was stated to be at variance with the elementary principle of justice, and the removal of this qualification was strongly urged, so that the protection be extended equally to the natural children of the victim.

(9) The age limit of 16 years for children receiving compensation or pension was also criticized. It was pointed out that the children of deceased public officials are entitled to pension until 22 years of age, and the same age limit was suggested for the children of employees killed by accidents.

(10) While the compensation to a widow with children is equal to two years' salary, when only children or grandchildren survive the compensation is reduced to eighteen months. The labor delegates claimed that orphans were more helpless alone than when one of their parents survived, and that they should therefore be entitled to the same compensation as the widow.

(11) Relatives in an ascending line are granted compensation only when over 60 years of age and if dependent. Both of these

qualifications were claimed to be unnecessary and cause hardships, because a single worker, living with his parents, usually assisted them financially in some degree, and to that degree they were dependent upon him; the age of the parents was also of little importance as long as the fatal accident caused them a perceptible financial loss.

(12) Approving the measures for prevention of accidents, among others the preparation of the catalogue of safety appliances, the labor delegates suggested that in view of the rapid progress of technical knowledge the technical commission should publish an annual report.

(13) While approving the design of the law to stimulate accident insurance, the labor delegates criticised severely the provision of the law which relieves the insured employer of his responsibility, because the insurance companies were usually practicing a policy of delay to force the injured employee to agree to a peaceful agreement on terms unprofitable to him. Since the insurance contract is a transaction between the insurance company and the employer, the employee, not being a party to the agreement, should not be made to lose any rights thereby. The insurance company should be required to satisfy the claim within forty-eight hours after the disability is determined, barring which the employee should have the right to sue either his employer or the insurance company.

(14) The adjudication of these cases arising under the law is left to the ordinary courts of first instance (until the special tribunals be established), and the supreme court has ruled that in accordance with the Civil Code the defendant must be sued at the place of his residence, which in case of both the insurance company and the individual employer is often distant from the location of the establishment and therefore makes the prosecution of the suit almost impossible for the destitute employee. It was suggested by the delegates that these cases be put under the jurisdiction of the judge of the locality where the accident occurs.

(15) Under the law claims may be made within one year from the date of the accident. Meanwhile suits may be instituted by either side because of the alleged criminal responsibility for the accident. As the claim for compensation must be settled with reference to the sentence in the criminal proceedings, the term of one year must be exclusive of the time taken in these criminal proceedings. Again, the employer may neglect to make the required immediate report of the accident, which neglect delays the judicial action. The year should therefore be counted from the day of making the report.

(16) The law is explicit in declaring all agreements or contracts renouncing the benefits of the law as null and void, but some courts have interpreted this rule to mean only such agreements as have been made before the accident occurred. It was therefore sug-

gested that such changes be made in the wording of the law as would make clear that all such agreements were null and void, whether entered into before or after the accident.

(17) The report concluded this long list of amendments with an earnest plea in favor of supplementing the existing legislation by some provision for guaranteeing the payments. The absence of such guarantee was termed an inexplicable omission and the consequences as very detrimental to the interest of the workmen. Reviewing the various methods adopted by the several European Governments, the labor delegates found fault with the French system of a special guarantee fund, which makes the responsible employer meet the burden evaded by the irresponsible one; they discarded the Belgian system because it stimulates the commercial insurance companies that carry accident insurance mainly for the profit to be derived from it; they found the German system of obligatory insurance in industrial associations the most satisfactory one, but admitted that Spanish industry was not yet prepared for such an organization. But holding mutual insurance associations preferable to private insurance companies, for both the employer and the employee, the labor delegates devised and proposed a rather complicated system, which would give the employer a choice between forming mutual associations or contributing a small special tax. The latter was to form a fund, from which the compensation would be paid by the State to the victims of accidents or to their dependents. This plan was to be put in operation when the compensation could not be collected in any other way.

#### BILL OF THE INSTITUTE OF SOCIAL REFORMS, OF 1907.

The report of the labor delegates served as a basis for consideration of the law by various divisions of the Institute of Social Reforms and many of the suggestions made by the labor delegates were embodied in the final draft approved by the institute on June 28, 1907.

The following changes recommended by labor delegates were practically adopted by the institute without any changes, except in a few cases as to phraseology (the numbers being as in the preceding list of seventeen): (2) That an employee who contracts also for the wages of his helper or partner is not to be considered an employer, and is not to be deprived, therefore, of his right to compensation; (3) that accidents due to trade negligence be not excepted; (5) that in compensating for temporary disability by a per diem allowance the holidays be included; (6) the permission to substitute reemployment at the old wages for the legal compensation due for permanent partial disability is withdrawn; (8) illegitimate children are recognized; (10) children left orphans after death of



father from an accident receive the full two years' pension; (11) parents or grandparents need not be over 60 years of age or prove their dependence to receive compensation; (14) the place of suing is to be the same as the locality where the accident occurred; (15) the extension of the period of limitation in those cases where criminal proceedings are instituted is agreed to; (16) agreements renouncing any benefits or rights under the law are declared to be null and void even if entered into after the accident.

In addition a few other changes, almost all favorable to the interests of the employees, are embodied in the final draft of the institute. Thus, the person who accepts large contracts for work is to be considered the employer and be held responsible, nevertheless it is specifically provided that the liability of the original proprietor of the establishment continues, though subsidiary to the responsibility of the contractor. Workmen employed in a supervisory capacity, but not receiving more than 10 pesetas (\$1.93) per day in wages, and apprentices also are included among the classes of employees entitled to compensation. In the case of the apprentices such inclusion was ordered by the regulations, but it is now included in the text of the proposed law. The benefits of the law are also extended by this draft to foreign employees working in Spain.

The rights of the children of a female employee who is killed by accident are extended. Under existing law they are entitled to compensation only in case they have no father, or have been abandoned. These limitations are dropped from the new bill. Under existing law the widower is not entitled to any compensation for the death of his wife in consequence of an accident. The new draft proposes to give compensation to the widower who, during the life of his wife, depended upon her for support.

Though the institute suggested essential reforms in regard to the methods of determining the rate of wages, the final draft has not gone beyond including in the text of the law a few of the provisions of the "regulations," namely, that in this computation all forms of remuneration besides money wages must be taken into consideration, such as food, lodging, premiums, tips, etc., though only such additional remunerations must be considered which are normal in their character.

The changes suggested by the labor delegates were carefully discussed and modified in many particulars before the recommendations were given their final form.

**OCCUPATIONAL DISEASES.**—The suggestion of the labor delegates that the law cover all the occupational diseases, defined as all lesions which the workman may suffer because of the habitual exercise of his occupation, met with strong opposition. The economic section of the Institute of Social Reforms pointed out that such diseases, gradually

acquired, belonged to the domain of invalidity insurance, rather than that of compensation of employees for accidents, and offered an amendment, by which only diseases acquired in an immediate, direct, and certain manner be classed with industrial accidents. The legal section of the institute approved this amendment, claiming that it was not new legislation, but simply an interpretation by the supreme tribunal embodied in the text of the law. In the general session of the institute it was decided to eliminate this amendment and leave the text of the law in its original form.

**EMPLOYMENTS COVERED.**—The demand of the labor delegates that all employment be covered by the law, and no exceptions be made, was thought too sweeping. The claim was made that the law was in its experimental stage, and that it was preferable to extend its applications gradually, though it was admitted that such extensions were possible and desirable. The greatest opposition was aroused by the demand for the inclusion of the agricultural laborers, whom the labor delegates thought especially in need of protection. While this need was not denied, many difficulties were held to be in the way of realizing this plan, such as the general backward condition of Spanish agriculture and its consequent inability to meet the additional cost of such compensation, as well as the difficulty of differentiating between the class of employers and that of employees in Spanish agriculture with its predominant class of very small holdings. The economic section of the institute argued that the extension of the law to all agricultural employment would be possible only under a system of compulsory insurance, for which the Spanish rural population was not yet prepared. It proposed, therefore, to substitute gradual extensions for the sweeping inclusion of all agricultural employment. As the existing law already includes accidents arising from the handling of agricultural machinery working with mechanical power, the next proper step was to include all employees in large agricultural holdings on which at least six persons are permanently employed. Further extension of the law to mercantile establishments and to office employees of industrial establishments was also admitted to be feasible. The economic section suggested the following extensions: (a) Coke ovens and all establishments in which the products of mines and quarries are worked up; (b) glass factories; (c) chemical works, tobacco factories, and the manufacture of mineral and effervescent waters; (d) leveling and paving of streets; (e) mercantile establishments employing more than three persons; (f) agricultural, forestry, and fishery establishments employing constantly more than six persons; (g) employees in offices and stores of manufacturing and industrial establishments receiving less than 2,000 pesetas (\$386), when injured in consequence of the usual work in such establishments. In the final draft of the institute this list

was somewhat further extended by including all mercantile establishments, irrespective of the number of employees. The specific mention of all special branches of manufacturing industry, not only those suggested by the economic section but also those contained in the original law, was eliminated by substituting the general formula: "All factories, mills, and manufacturing establishments," while in the law of 1900 only those factories, mills, and manufacturing establishments are included which utilize mechanical power. In addition to this formula many separate branches of industry were included.

The question of extending the provisions of the law to agricultural workers was considered of such importance that a special investigation of the problem was undertaken by the institute. This report will be discussed later.

**MEDICAL HELP.**—The suggestion of the labor delegates as to the right of the injured workman to have his own physician and choose his own drug store was adopted by the institute with the limitation of the choice to such drug stores as were willing to charge according to the low prices established by the charity authorities.

**AGE OF ORPHANS.**—The desire of the labor delegates to extend the compensation to the children under the age of 22 years of a fatally injured employee was considered excessive, and in the institute's draft all children under 18 years of age or those incapacitated from earning a livelihood are included.

**THE PREVENTION OF ACCIDENTS.**—In the part of the law referring to the prevention of industrial accidents few changes were proposed by the labor delegates, but the Institute of Social Reforms proposed extensive changes in regard to the organization of the technical commission, which was founded by the law of 1900 before the Institute of Social Reforms. The essence of these changes consists in requiring this commission to report to the Institute of Social Reforms, to cooperate with the Royal Sanitary Council or the Academy of Medicine in all matters concerning industrial hygiene, and to intrust to the Institute of Social Reforms the administration of the law, and to organize an inspection service in the institute, providing administrative penalties for the infraction of the law.

**INSURANCE.**—The objection of the labor delegates to the employer being relieved of his obligation through insurance was sustained by the institute after considerable discussion, and the injured workman is to be given the right to sue his employer directly, even if the employer has insured his employees.

Perhaps the most important question is that of compulsory insurance or some other means by which the payment of an indemnity may be guaranteed. The plan for semiobligatory mutual insured suggested by the labor delegates was not accepted by the Institute

of Social Reforms. The economic section admitted the necessity of guarantee and the advantages of a system of insurance over any other method, but thought the time premature for a system of obligatory insurance similar to that of Germany, and suggested the following basis for the elaboration of a guarantee system:

(1) The employer must guarantee the payment of the indemnity; (2) by insuring either in a private commercial insurance company or in a mutual insurance association, or becoming his own insurer. (3) The Government shall determine the guarantee to be furnished by private or mutual insurance companies. (4) To become his own insurer, the employer must have a special authorization from the Government, which requires a bond, the amount depending upon the number of workmen and the size of the establishment. (5) The Government may order the organization of a mutual insurance association for a certain industry or group of industries. (6) All mutual insurance associations shall be free from all taxes. (7) Employers refusing to insure their workmen must pay a special tax, to be determined every three years by the Government for each industry. (8) A national industrial accident insurance fund should be established, made up of (a) these special taxes, (b) state subsidy if necessary, (c) fines for infringement of the insurance law, and (d) other miscellaneous sources. (9) The national fund pays the compensation due under this law in case of insolvency of the noninsured employer or that of the insurer. It may make an effort to collect this from the insolvent parties, and its claim shall have preference over other claims.

This system, proposed by the economic section of the institute, came close to a system of compulsory insurance. The cost of the state guarantee was placed primarily upon those employers who do not insure their workmen. This plan did not meet in its entirety with the approval of the institute. The final recommendations of the institute consist of the provisions of the existing law in regard to voluntary insurance, either in private or mutual insurance companies; the conditions prescribed in the regulations of July 28, 1900, are embodied in the law in regard to guarantee deposits; to this is added the establishment of a general guarantee fund, but indemnities only for death or total permanent disability are to be paid out of this fund. This fund shall be supported by a small tax upon manufacturing and mining establishments in general. The management of this guarantee fund and the general supervision of mutual accident insurance is to be intrusted to a special section in the National Institute of Savings.

The bill prepared by the Institute of Social Reforms, practically without change, was introduced in the Cortes by the minister of the interior on July 16, 1910.

## EXTENSION TO AGRICULTURE.

The most important question in connection with the reform of the compensation law of 1900 was admitted to be its possible extension to agriculture, in view of its predominating importance in the economic life of Spain. While the draft of the bill approved by the institute limited the extension of the provisions of the law to those agricultural establishments employing permanently more than six persons, it is not looked upon as a final solution of the problem, as petty holdings predominate in Spain over large estates, the more so that the same draft has waved aside the distinction between large and small industrial establishments, existing in the present law, and recommended the extension of compensation to all manufacturing industry. The economic section of the institute was therefore empowered to make a thorough study of the conditions under which the compensation principle might be made applicable to all agriculture. The section has recently published the results of its studies, having examined all the existing legislation and legislative proposals of all countries regarding this question. Briefly, the conclusions are as follows: The extension of the compensation law to the smallest agricultural establishments does not present any insurmountable difficulties, though some modifications will have to be introduced. The section reiterated its conviction that a system of obligatory insurance, similar to that of Germany, would be best adapted to the needs of agriculture, and to petty industry in general; it could include all agricultural laborers, as well as those owning or renting small parcels of lands, and would not only provide an absolute guarantee and relieve the small employer of the danger of heavy cost for accident, but simplify the difficulty of differentiating between the employer and workman in petty agriculture. As, however, the institute has refused to indorse the principle of obligatory insurance in its entirety, the section suggests the alternative of voluntary insurance with the exception of compensation and medical help in temporary disability. For this a system of obligatory mutual insurance is deemed necessary, in view of the peculiarities of rural life in Spain, which makes control of cases of temporary disability and the prevention of abuses impossible without some system of cooperation by mutual insurance associations. Aside from this, the other adjustments recommended for the application of the law to the needs of agricultural establishments were of a minor nature.

## STATISTICS OF INDUSTRIAL ACCIDENTS.

In Spain statistics of accidents are gathered only in connection with the compensation act, and that act does not cover all industries; in some branches of industrial activity, for instance in agriculture, the proportion of wage-workers included is comparatively small. An



important limitation of their value consists in the fact that in the absence of statistics of occupations and manufactures for Spain and of the number of workmen in each branch of industry, and especially in those establishments which are subject to the compensation act, it is impossible to compute the rate of accidents either for the industry as a whole or for any branch of the industry. The Institute of Social Reforms, recognizing the importance of such a basis for computations, has made an effort to organize a provisional enumeration of employees in establishments, and in the reports of accidents for 1907 an attempt has been made to compute the rate of accidents.

In addition to these limitations, the collection of statistical data is incomplete, according to the statements made by the institute in its reports. This institute was established by the decree of April 23, 1903, and among other duties was charged with the computation and publication of statistics of industrial accidents. The first report covers the year 1904. Previously these statistics were published by the section of commerce and industry of the Ministry of Agriculture, Industry, Commerce, and Public Works. According to the reports published by the institute there were registered in 1901 13,516 accidents and in 1902 32,343 accidents, the increase evidently being due to improvements in methods of reporting. During the five years, 1904 to 1908, for which statistics have been published by the institute, the number of accidents recorded was as follows: In 1904, 14,363; in 1905, 23,008; in 1906, 24,525; in 1907, 30,472; and in 1908, 25,505. In the three earlier reports complaints are made about the failure of many provincial governors to forward the necessary statistical reports, and it is stated that many accidents are not reported even to the local authorities. The data for the year 1907 only are claimed to be fairly complete and on the whole satisfactory. The decline in the number of accidents recorded in 1908 is partly due to the failure of the Province of Madrid to send in its report, except for the first six months, and so all accidents for that province were excluded. During the first six months 1,757 accidents were recorded in that Province, and during the whole of the preceding year 3,575 accidents were recorded; but even if this number is added to the number recorded in 1908 the total is far below 36,976, which was given for this year in the official report of the insurance companies. These data may be partly checked by the reports published by the General Association of Insurance Companies, although those reports are also incomplete, by reason of the fact that some proportion of the wage-earners remains uninsured. The table on page 2340, giving the data for the five years from 1902 to 1906 shows a larger number of accidents for 1904, 1905, and 1906 than do the official statistics.

In the later year the difference was not so great, but it was still in favor of the reports of the insurance association. It is probable that



the official record for 1904 includes only about one-third of all the accidents, those for 1905 and 1906 are still incomplete, and only those for 1907 are fairly complete. This limits the value of the data for comparative purposes.

The distribution of the accidents by age and sex of employees is shown in the following table. The small number of female employees injured is probably due to the slight participation of women in Spain in industry, though statistical data for a determination of this fact are lacking. Less than 3 per cent of the injured were of the female sex in the year 1907.

EMPLOYEES INJURED IN INDUSTRIAL ACCIDENTS, BY SEX AND AGE, 1904 TO 1908.

[Source: Instituto de Reformas Sociales. Estadística de los Accidentes del Trabajo ocurridos en los años 1904-1908. Boletín del Instituto de Reformas Sociales, 1911.]

Sex and age.	Number of employees injured in—					
	1904.	1905.	1906.	1907.	1908.(a)	1909.
<b>MALES.</b>						
10 and under 14 years .....	174	276	395	662	544	531
14 and under 16 years .....	752	1,212	1,249	1,825	1,507	1,686
16 and under 18 years .....	1,235	1,842	1,817	2,337	1,927	2,273
18 and under 40 years .....	11,718	14,407	15,693	19,140	16,188	18,315
40 and under 60 years .....		4,126	4,245	5,017	4,156	4,652
60 years and over .....		263	263	310	233	206
Age unknown .....	95	282	297	272	127	421
Total .....	13,974	22,408	23,959	b 29,567	24,682	28,083
<b>FEMALES.</b>						
10 and under 14 years .....	37	24	29	90	63	70
14 and under 16 years .....	78	95	89	163	173	122
16 and under 18 years .....	80	108	107	155	139	122
18 and under 40 years .....	192	292	257	412	348	395
40 and under 60 years .....		64	67	74	86	91
60 years and over .....		13	10	8	14	9
Age unknown .....	2	4	7	3	.....	42
Total .....	389	600	566	905	823	861
<b>BOTH SEXES.</b>						
10 and under 14 years .....	211	300	424	752	607	601
14 and under 16 years .....	830	1,307	1,338	1,988	1,680	1,808
16 and under 18 years .....	1,315	1,950	1,924	2,492	2,066	2,405
18 and under 40 years .....	11,910	14,699	15,950	19,552	16,536	18,710
40 and under 60 years .....		4,190	4,312	5,091	4,242	4,743
60 years and over .....		276	273	318	247	214
Age unknown .....	97	286	304	275	127	463
Total .....	14,363	23,008	24,525	b 30,472	25,505	28,944

a Not including the Province of Madrid.

b This total is not the correct sum of the items; the figures are given as shown in the original report.

The distribution of accidents by industries is shown in the following table, where the industries are arranged according to the number of accidents in 1907. Transportation, mines, etc., and the iron and steel industry together claim more than one-half of the accidents occurring during the five-year period.

## NUMBER OF ACCIDENTS, BY INDUSTRIES, 1904 TO 1908.

[Source: Instituto de Reformas Sociales. Estadística de los Accidentes del Trabajo ocurridos en los años 1904-1908. Boletín del Instituto de Reformas Sociales, 1911.]

Industry.	Number of accidents in—					
	1904.	1905.	1906.	1907.	1908.(a)	1909.
Mines, salt mines, and quarries.....	2,794	4,276	5,116	6,760	5,931	7,286
Transportation .....	2,508	4,614	5,010	6,635	6,333	6,448
Iron and other metal manufactories.....	1,979	2,330	3,529	5,186	4,820	4,952
Construction work.....	1,473	3,271	3,618	3,231	2,280	2,721
Food products .....	510	1,154	1,115	1,564	1,367	1,518
Woodworking .....	957	1,185	1,024	1,146	1,119	1,309
Textiles .....	261	456	516	1,128	826	814
State and municipal service .....	151	483	417	704	452	468
Chemical industry .....	279	540	420	504	569	909
Electrical industry .....	213	243	208	347	270	260
Forestry and agriculture .....	200	157	242	250	274	386
Leather and hides .....	65	82	76	210	142	76
Paper and cardboard .....	163	266	162	127	103	119
Printing .....	38	92	66	107	87	101
Metallurgical establishments .....	1,280	1,897	540	102	11	.....
Tobacco .....	82	131	112	76	75	91
Clothing .....	66	81	50	35	32	25
All other and unknown .....	1,338	1,750	2,244	2,360	814	1,466
Total .....	14,363	23,008	24,525	30,472	25,505	28,944

a Not including the Province of Madrid.

b This total is not the correct sum of the items; the figures are given as shown in the original report.

The reports also include tables classifying the accidents by causes, but these tables are not entirely satisfactory and they are not reproduced for the reason that in the vast majority of cases the cause is not stated; thus in 1907, out of 30,472 accidents, 17,704, or 58.1 per cent, were reported as due to various causes, and 7,329, or 24.1 per cent, as due to unknown causes, leaving only 17.8 per cent of the cases for which the cause is stated. Of the accidents recorded in 1908, the cause was stated for only 7,555, or 29.6 per cent; and in 1909, for only 6,811 out of 28,944, or 23.5 per cent.

The data in regard to the results of the accidents are also unsatisfactory, as all injuries are classified in 7 large groups: (1) Fatal cases, (2) those producing total and (3) those producing partial permanent disability, (4) grave injuries, (5) light injuries, (6) injuries for which the classification is reserved, and (7) injuries the results of which are unknown. These data are presented in the following table. The striking feature of this table is the small number of cases of permanent disability and the large proportion of the light injury cases. The latter is explained in the report as due to the absence of a strict definition of an accident in the law, resulting in many minor injuries being reported. On the other hand, the small number of permanently though partially disabled is probably explained by the limited class of injuries which are recognized by the law of 1900 as leading to permanent disability.

NUMBER OF ACCIDENTS, CLASSIFIED BY RESULTS OF INJURIES, 1904 TO 1908.

[Source: Instituto de Reformas Sociales. Estadística de los Accidentes del Trabajo ocurridos en los años 1904-1908. Boletín del Instituto de Reformas Sociales, 1911.]

Year.	Light injuries.	Grave injuries.	Injuries as to the nature of which opinion is reserved.	Injuries of unknown result.	Injuries resulting in permanent disability.		Injuries resulting fatally.	Total.
					Partial.	Total.		
1904.....	13,008	224	895	.....	(a)	b 35	236	c 14,363
1905.....	19,177	475	976	2,155	21	20	225	c 23,008
1906.....	22,187	483	874	805	56	26	176	c 24,525
1907.....	28,062	376	1,043	783	80	19	207	c 30,472
1908 (d).....	22,506	477	1,365	979	69	4	178	c 25,505
1909.....	27,274	256	701	501	e 71	(f)	210	c 28,944

- a Included with injuries resulting in total permanent disability.
- b Including injuries resulting in partial permanent disability.
- c This total is not the correct sum of the items; the figures are given as found in the original report.
- d Not including the Province of Madrid.
- e Including injuries resulting in total permanent disability.
- f Included in injuries resulting in partial permanent disability.

The reports indicate a decline in the number of fatal cases and in their proportion to the total number of accidents, which in 1904 was 1.64 per cent and in 1908 0.70 per cent. While this may in part be due to the better reporting of minor accidents, there has been an actual decline in the number of fatalities from 236 in 1904 to 207 in 1907. For 1908 the data are unfortunately incomplete, because the accidents in Madrid were not tabulated; but excluding the 14 fatal cases in Madrid in 1907 there still seems to be a decline from 193 to 178.

The distribution of the accidents by the day of the week are available only since 1906. As shown in the table following, the greatest number of accidents takes place on Monday. The number gradually falls toward the middle of the week, but rises again at the end of the week.

NUMBER AND RELATIVE FREQUENCY OF ACCIDENTS, BY DAYS OF THE WEEK, 1906 TO 1908.

[Source: Instituto de Reformas Sociales. Estadística de los Accidentes del Trabajo ocurridos en los años 1906-1908. Boletín del Instituto de Reformas Sociales, 1911. In computing the relative number the average number of accidents per day was used as a base.]

Day of week.	1906.		1907.		1908. (a)		1909.	
	Number of acci-dents.	Relative number.	Number of acci-dents.	Relative number.	Number of acci-dents.	Relative number.	Number of acci-dents.	Relative number.
Monday.....	2,989	120.4	4,838	113.3	4,174	114.9	4,707	114.1
Tuesday.....	2,751	110.8	4,764	111.5	4,011	110.4	4,583	111.1
Wednesday.....	2,642	106.4	4,663	109.2	3,980	109.6	4,513	109.4
Thursday.....	2,584	104.1	4,482	104.9	3,987	109.8	4,418	107.1
Friday.....	2,565	103.3	4,529	106.0	3,908	107.6	4,447	107.8
Saturday.....	2,739	110.3	4,740	111.0	3,884	106.9	4,576	110.9
Sunday.....	1,107	44.6	1,878	44.0	1,483	40.8	1,631	39.5
Total.....	17,377	.....	29,894	.....	25,427	.....	28,875	.....
Unknown.....	7,148	.....	578	.....	78	.....	69	.....
Grand total....	24,525	.....	30,472	.....	25,505	.....	28,944	.....

a Not including the Province of Madrid.

**SICKNESS INSURANCE.**

Sickness insurance of workmen is comparatively new in Spain. The progress made so far is due to private or cooperative efforts, without any interference, assistance, or regulation from the Government. There are hospitals and similar institutions for treatment of the poor, which are supported either by public or private charity and which do not make any special regulations for the wage-working population. As these establishments belong to the field of charity rather than of labor insurance, they will not be treated here. The existing institutions for medical or financial assistance during illness, which are organized more or less upon an insurance basis, may be classified in three groups: (1) The commercial sickness insurance companies; (2) the mutual sick benefit societies; and (3) the establishment funds.

**COMMERCIAL INSURANCE COMPANIES.**

Commercial organizations of sickness insurance confine their operations to the field of medical aid, and while not limited to wage-earners, they have become popular principally among this class, being organized mainly in the large cities and among people of small means who desire to escape the expense of private medical advice.

The plan of these sickness insurance companies is in some features similar to that adopted by various religious and fraternal associations in the United States. The insured secures free medical advice and drugs for a stipulated fee, which usually amounts to 1 peseta (19.3 cents) per month for a single member and 2 pesetas (38.6 cents) for a family. There is this difference, however, that instead of a physician or druggist being hired by a club or lodge under direct contract, they are hired usually at a much lower rate of remuneration by the managers of the insurance company, who derive large profits from the position of intermediaries between the insured and the physicians. The popularity of this form of insurance may be judged from the following figures. An official investigation in 1903 showed 30 such companies in Madrid alone. Of these, 21 reported their membership, which aggregated 35,434 families, with 141,736 persons insured and a gross income of over 1,000,000 pesetas (\$193,000) and net profits of 478,368 pesetas (\$92,325.02), or about 48 per cent of the gross income.<sup>a</sup> Under such conditions many evils manifested themselves, such as an insufficient number of physicians, who received very low remuneration and who furnished hasty medical advice as well as adulterated drugs.

<sup>a</sup> Les assurances sociales en Espagne, par Alvaro Lopez Nunez. (Congrès International des Assurances Sociales. 8<sup>me</sup> session, Rome, October, 1908.)

These evils called forth, in 1903, the above-mentioned official investigation by the General Bureau of Health of the Ministry of Interior, which was carried on by several prominent professional men, physicians, and druggists. The report of this investigation subjected these insurance companies to severe criticism. As a result of this criticism the popularity of this form of insurance received a severe blow from which it is only now slowly recovering. Many of the small institutions suspended. Others have improved their methods, carrying out the provision of several regulating orders, such as the order of July 3, 1907, placing the maximum number of families to be attended by one physician at 150.

#### MUTUAL BENEFIT SOCIETIES.

Mutual benefit societies of workmen (industrial benefit societies) are growing rapidly in Spain. Their main function is mutual aid in case of sickness. The Institute of Social Reforms in 1907 published a report on workmen's associations in existence on November 1, 1904. It succeeded in obtaining altogether reports of about 65 per cent of existing organizations. Of the 1,867 organizations reported, 310,<sup>(a)</sup> or 16.6 per cent, had mutual assistance, mostly in case of sickness, as their main aim, and their membership equaled 88,206<sup>(a)</sup> out of a total membership of 348,265, or 25.3 per cent. The number of such societies is growing rapidly, as shown by the fact that of these 310 societies 200, or 64.5 per cent, were organized within the six years 1899 to 1904. In Madrid alone there are 42 societies, with a membership of 30,266.

There were 67 associations of workmen whose main object is defined in the report as "accion catolica;" but many of these associations also have funds for mutual assistance. These 67 societies had a combined membership of 31,957.

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<sup>a</sup> The report states the number of mutual benefit societies at 309 and their membership at 84,426. To these has been added the "La Mutualidad Obrera," with a membership of 3,780, described in the report as "Cooperativa médico-farmacéutica" (a society for cooperative medical and pharmaceutical aid).

The following table shows the years when various classes of funds were organized:

NUMBER OF WORKMEN'S SOCIETIES IN 1904, BY YEARS WHEN ORGANIZED AND OBJECTS OF SOCIETIES.

[Source: Instituto de Reformas Sociales. Estadística de la Asociacion Obrera, en 1º de noviembre de 1904, pp. 285 and 286.]

Year organized.	Number of societies whose object is—							Total.
	Catholic.	Improvement of labor conditions.	Cooperative.	Mutual benefit.	Political.	Education and recreation.	Musical, etc.	
Before 1800.....		1		1				2
1801 to 1850.....		1		3			1	5
1851 to 1860.....		1		2		2	1	6
1861 to 1870.....	2	6	1	4		2	5	20
1871 to 1880.....	5	5	3	13		4	3	33
1881 to 1890.....	15	39	4	34	6	14	11	123
1891.....	1	6		5				12
1892.....		13	1	9	1	1	2	27
1893.....	2	8		1	2			13
1894.....	2	11	1	7	1	5	2	29
1895.....	4	10	1	4		1	7	26
1896.....	2	6	5	10	3	1	2	29
1897.....		26	3	9	6	5		49
1898.....	2	19	1	6	3	1	1	33
1899.....	1	80	2	12	1	2	2	100
1900.....	4	198	6	18	4	3	4	237
1901.....	5	129	9	32	5	3	8	191
1902.....	3	167	12	46	8	2	14	252
1903.....	8	224	12	40	12	18	11	325
1904.....	9	194	32	51	34	14	10	344
Not reported.....	2	5		2		1		10
Total.....	67	1,149	93	309	86	79	84	1,867

That this form of insurance or mutual aid is quite popular among all classes of Spanish society is shown by another statistical report published by the Institute of Social Reforms—a report on all associations for savings, cooperation, and mutual aid. Of 2,020 societies, with 437,347 members, 1,696 societies, with a membership of 358,014 (i. e., 84 per cent of the societies and about 82 per cent of the membership), had mutual help primarily in case of sickness as their main object.

On the basis of these figures, and considering the societies omitted from the enumeration in 1904 and those societies organized within recent years, the assistant secretary of the Institute of Social Reforms estimates the number of existing mutual aid societies in 1908 at about 800, with a membership of 150,000; and, including the families, that 750,000 persons were protected by sickness insurance.



## NUMBER, MEMBERSHIP, AND MEMBERSHIP PER 1,000 POPULATION, OF WORKMEN'S MUTUAL AID SOCIETIES IN 1904, BY PROVINCES.

[Source: Instituto de Reformas Sociales. Estadística de la Asociación Obrera, 1907.]

Province.	Population (census of 1900).	Number of socie- ties.	Member- ship.	Member- ship per 1,000 popula- tion.
Alicante.....	470,149	16	12,304	26.17
Badajoz.....	520,246	10	1,834	3.53
Barcelona.....	1,054,541	38	7,280	6.91
Cadiz.....	452,659	3	1,514	3.34
Canaries.....	358,564	4	1,652	4.61
Castellon de la Plana.....	310,828	13	1,392	4.48
Corunna.....	653,556	3	2,603	4.12
Cuenca.....	249,096	8	1,743	6.98
Gerona.....	299,287	20	3,063	10.23
Guipuzcoa.....	195,850	5	1,068	5.45
Huelva.....	260,880	12	2,348	9.00
Logroño.....	189,376	6	1,531	8.08
Madrid (a).....	775,034	18	30,228	39.00
Malaga.....	511,989	2	1,953	3.81
Murcia.....	577,987	9	1,825	3.16
Oviedo.....	627,069	7	2,507	4.00
Palencia.....	192,473	13	1,360	7.07
Seville.....	555,256	13	1,311	2.36
Tarragona.....	337,964	10	1,000	2.96
Toledo.....	376,814	7	1,212	3.22
Valladolid.....	278,561	8	1,138	4.09
All other provinces.....	9,358,895	85	3,460	.37
Total.....	18,607,674	310	84,426	4.54

a Includes one society, La Mutualidad Obrera, with 3,780 members, classified as a "cooperative society" whose functions are defined, however, as "a society for cooperative medical and pharmaceutical aid."

While the membership of these workmen's societies varies greatly—and some of them are small, as low as ten or twenty persons—the bulk of the membership belongs to very large associations. Thus the Railroad Employees' Association (*Asociación general de Empleados y Obreros de Ferrocarriles*), organized in 1888, with headquarters in Madrid, had in 1904 a membership of 17,300. No other organization approached this in number of members, there being altogether 12 organizations with a membership of over 1,000 each and a combined membership of 39,637, or nearly one-half of the total membership of the 310 societies. Among these 310 societies may be mentioned La Mutualidad Obrera, organized in Madrid in 1904, with a membership of 3,780; La Honradez, also of Madrid, organized in 1891, with a membership of 1,950; an establishment fund of the government tobacco factory in Alicante, Caja de Auxilio en beneficio del personal obrero de la Fabrica de Tabacos, organized in 1901, with a membership of 3,557; similar organizations in the tobacco factory of Cadiz, with 1,104 members; and one in the tobacco factory in Corunna, with 2,449 members.

Details of the operation of these institutions are difficult to obtain. La Mutualidad Obrera (the Workmen's Mutual Society), which is designated in the official statistical report as a cooperative society for furnishing medical and pharmaceutical assistance, in the year 1906 had 4,323 members. Of these members 3,847 had families, aggregat-

ing 13,388 persons, so that the total number of persons protected by the association was 17,711. In order to furnish the medical help this association employs 28 physicians, 1 obstetrician, 3 surgeons, 2 druggists, 10 midwives, and 10 nurses and assistants—altogether 54 persons on its medical staff—while the administrative duties require an additional force of 13 persons. The total income was only 39,860 pesetas (\$7,692.98), and the total expenditure 44,800 pesetas (\$8,646.40), leaving a deficit for the year, the second of its existence, of 4,940 pesetas (\$953.42).

The functions of these societies vary. A great many societies pay funeral expenses and give financial aid during illness, in addition to medical advice and treatment. In some cases an organization may carry these three forms of insurance, the membership in all or any of them being optional. Thus the "Universal Union of Encouragement and Representation of the Interests of the Working Class" in Madrid furnishes (1) medical help and drugs for the following monthly payments: For a single man, 0.60 peseta (11.6 cents); for a married man without children, 0.80 peseta (15.4 cents); and for married men or widows with children, 1.10 pesetas (21.2 cents). (2) Sick benefits for 30 days, and in exceptional cases only for 50 days, during one year, equal to double the monthly dues, which may be anywhere from 0.50 peseta (9.7 cents) to 1.50 pesetas (29 cents). (3) Funeral expenses, the cost being 0.30 peseta (5.8 cents) per month for children under 7 years of age and 0.15 peseta (2.9 cents) for persons over 7 years, with an additional entrance fee of 2 pesetas (38.6 cents) for persons over 40 and under 55 years of age, this age period being the limit of admission.

The majority of these funds and benefit societies are supported exclusively by the contributions of the members. In a few cases of establishment funds other sources of income are available, such as the fines imposed upon the employees and the voluntary contributions of the employers. The receipts from these sources, however, are small, and do not affect the truth of the general statement that the cost of medical help and the sick benefits is practically borne by the wage-earners themselves.

#### OLD-AGE INSURANCE.

The system of governmental pensions to military and civil employees is highly developed in Spain, and it has certain insurance features, inasmuch as from 10 to 20 per cent of the salaries are deducted for the support of these pensions. As the expenditures for such pensions claim about one-twelfth of the entire budget (in 1907, 42.3 million pesetas (\$8,163,900)), the burden of the support of these so-called "passive classes," as the pensioners are termed, has come to be considered a national problem in Spain.

But little had been done in Spain in the field of old-age and invalidity insurance for workmen, especially by the Government, until the National Institute for Old-Age Insurance was established by the law of February 27, 1908. This institute had not yet begun its operation by the end of the year 1908. Outside of this institute, whose work is all in the future, the existing provisions for the invalid and superannuated workers are limited to voluntary mutual insurance funds. These have never been studied statistically with any degree of detail, and therefore only a few individual examples can be given, though it may be stated that many of the mutual aid societies mentioned above in connection with sickness insurance are also old-age pension funds. These private and voluntary pension funds receive no assistance, either from the employers or from the State.

#### **THE NATIONAL INSTITUTE FOR OLD-AGE INSURANCE.**

On the subject of insurance and savings the prevailing opinion among the Spanish authorities was that private initiative in Spain was too weak, and that the saving habit was not sufficiently established to permit of any extensive development without governmental encouragement. This was the opinion also of a majority of the delegates of local savings banks and old-age insurance funds, at a conference called together in Madrid in 1904 to discuss the advisability of establishing a governmental insurance system. The initiative in this plan belonged to the Institute of Social Reforms, which delegated to a recognized authority on labor problems the preparation of a general report on the subject. After the report was presented to the institute the above-mentioned conference was called. The discussions emphasized not only the necessity of organizing some system of provision for the industrial employees in their old age, but also the importance of enlisting the support of the Government. The resolutions, adopted on October 20, 1904, were of a general nature and contained the following recommendations:

That the Central Government should organize an insurance fund upon its own guarantee and responsibility; that the aim of the fund should be to provide old-age pensions for wage-workers; that the insurance should be paid for in premiums by the insured, or by any one else for the benefit of the insured; that the business should be conducted strictly in accordance with the technical rules of insurance, in regard to the reserve, etc.; that the form of organization, management, and governmental control of the insurance fund should be elaborated by a special commission, consisting of representatives of the State, the Institute of Social Reforms, the important savings banks, and other similar institutions; that cooperation between the central governmental institutions and the existing private charitable savings

or loan institutions should be encouraged; that the local institutions should be intrusted with local representation of the pension insurance fund; that the local institutions should also be encouraged to contribute to the central fund a definite proportion of their profits, which would go to increase the pensions; that the capital of the fund should consist of a state subsidy, the premiums of the insured, and such other contributions as the Provinces or localities might make; that the insurance should be free from all taxation, similarly to the existing savings banks and mutual accident insurance companies; and that the old-age pensions should not be subject to assignment or attachment.

To carry these general principles into effect a special commission of the Institute of Social Reforms prepared the draft of a bill for the establishment of the national insurance institute. This bill was laid before the Institute of Social Reforms on May 25, 1905, and, with a few minor changes, was unanimously approved and transmitted to the Cortes on November 2, 1905.

The aim, organization, and methods of the institute were briefly summarized in the report of the special committee which accompanied the draft of the bill. The duty of the institute was stated to be, not only the management of a particular fund but also the stimulation of the popular interest in savings, insurance, and especially in old-age insurance, as well as in the encouragement of other local institutions of the same type. It was expressly recommended that the institute strictly adhere to the technical conditions of insurance. It was also suggested that the institute should be national in its scope, as the insurance theory and statistics are true only when applied to large numbers, and the larger the number of insured the less will be the friction in the application of theoretical calculations to actual practice. However, it is not the aim of the new institute to destroy or to compete with those pension insurance institutions which exist in Spain at the time of the organization of the National Institute for Old-Age Insurance. The purpose is not to establish a monopolistic institution but a model one. Therefore, cooperation between the national institute and the local institutions, such as the funds of Guipuzcoa and Barcelona, would be permitted, provided the local funds were also organized with strict adherence to insurance principles. This cooperation would take the form of coinsurance or reinsurance. In the distribution of state subventions the local funds would be permitted to participate. In this way it was thought that the organization of the national institute, in order to engage the power of the Central Government in the movement to stimulate old-age insurance, would not interfere with any private efforts that might be made in the same direction, and that private old-age insurance might grow even faster under the stimulus of the example set by the national institute. Financially the plan deviated from the wish

which carried the majority of votes in the conference, that the State assume the entire guarantee and financial responsibility of the institute. This was termed an "excessive official intrusion," and an autonomous institute was recommended. But in place of a continuous guarantee the State was expected to furnish the capital necessary for the organization and in addition to furnish annual subsidies, which would serve as a source of subventions to the pensions and also to cover the cost of administration. In the administration the autonomous principle is combined with that of state control, the power of appointment of the governing council being divided between the Ministry of Interior and the Institute of Social Reforms. After a delay of over two years the bill was passed by the Cortes without discussion and without any changes, and approved by the Crown on February 27, 1908.

The law establishing the National Institute for Old-Age Insurance, as passed and approved on February 27, 1908, stipulated that the minister of interior should immediately appoint a commission, in conformance with the rules for the governing council, to prepare the statutes, regulations, and tariffs, and that efforts should be made to make the organization of the office feasible within one year from the date of the promulgation of the law.

In conformity with these demands of the law a commission was appointed on March 8, 1908, with the chairman of the Congress of Deputies as presiding officer, and the commission held its first meeting for organization on May 11, 1908.

The constitution of the national institute, prepared by that commission, was approved by the royal decree of December 24, 1908. Notwithstanding this lengthy document of some 125 articles, the details of the operation of the institute were not yet determined, these depending upon the regulations (*reglamento*) and the tariffs to be prepared by the supervisory council of that institute.

The constitution took effect on January 1, 1909.

#### PROVISIONS OF THE LAW OF FEBRUARY 27, 1908.

**GENERAL PURPOSE AND SCOPE.**—The general purposes of the institute are stated broadly as follows: (1) To inculcate among the masses habits of provision for old age, especially in the form of old-age pensions; (2) to administer the mutual insurance of those who may voluntarily associate themselves for that purpose under the conditions most favorable to them, and (3) to stimulate and encourage the purchase of old-age pensions by procuring subsidies from public or private sources. Practically, however, the operations of the institute consist mainly in selling old-age pensions or deferred annuities to individuals of the working classes, either for "single time pay-



ments," as explained below, or for recurrent premiums, to be paid for either by the beneficiaries or by other persons for the beneficiaries.

**PERSONS INSURED.**—The insurance is intended exclusively for the working classes, including those employed by the State. A salaried employee or an officeholder may be insured in the institute, if his salary does not exceed 3,000 pesetas (\$579) per annum and he has no right to a pension under other existing legislation. Foreigners of the male sex and of age, residing in Spain, may take out such pension insurance, provided they agree to abide by the decisions of the Spanish courts. Minors and married women may purchase insurance with reserved capital without anyone's authorization, while minors under 18 years of age require the authorization of the parent or guardian, and married women require the authorization of the husband for purchase of the old-age pension with alienated capital.

**FORMS OF INSURANCE.**—Similarly to the French, Belgian, and Italian systems, after which the Spanish institute is modeled, both forms of annuity insurance—those with alienated and those with reserved capital—may be written. In the former case no repayments are made at death of the insured, whether it occurs before or after reaching the pension age; in the latter case the entire capital, or the greater portion of it, is returned at death to the heirs.

**PENSIONS.**—The system of insurance being entirely voluntary, no definite pension is guaranteed. The amount of the pension insured, as well as the fact of insurance, is left entirely to the insured. The amount of the pension acquired is made dependable upon the free contributions of the insured or for the insured by other persons. The only limitation is that no premiums shall be received which would bring the amount of the pension acquired over 1,500 pesetas (\$289.50) to the same person.

The pensions purchaseable for given premiums will naturally differ for the two methods of insurance described above—that with alienated capital and that with reserved capital.

In accordance with the usual life insurance practice, various provisions are made for changes in the plan of insurance. In case of the insurance of an old-age pension with reserved capital the insured may demand the paid-up value of the reserved capital at any time before the old-age pension begins, or, before his old-age pension matures, he may use the value of this reserved capital for the purchase of a temporary annuity.

In the case of insurance with reserved capital the distribution of the capital among the relatives at the death of the insured does not depend upon the will of the deceased, but is regulated by law according to the degree of consanguinity, as follows: The widow, the children, and the parents have the preference, and only in the absence



of all such relatives does the capital go to other heirs. When the deceased leaves a family the capital is divided equally between the widow and the children, the widow receiving one-half and the children the other. If there are no children, the widow receives three-fifths and the parents the remainder. The amounts due to the heirs designated shall not be subject to any claims of other heirs or of creditors.

**INVALIDITY.**—The institute's activity does not contemplate special invalidity pensions. The constitution provides, however, that in case of absolute disability due to an industrial accident the insured person has the right to demand the conversion of his deferred annuity into one to begin immediately, provided it will amount to at least 60 pesetas (\$11.58) per annum. If not, the conversion must be delayed until the pension has reached that value. The pensions are not subject to cession or seizure.

**SOURCES OF REVENUE.**—The sources of revenue are as follows:

(1) Endowment of not less 500,000 pesetas (\$96,500) presented by the State.

(2) The premiums of the insured.

(3) Interest and revenues of social funds.

(4) An annual subsidy from the state budget, proportionate to the needs and the development of the institute, but not less than 125,000 pesetas (\$24,125) per annum.

(5) Other donations or legacies from public or private bodies or individuals.

The main sources of revenue for payment of the pensions is derived from the premiums to be paid by the insured.

The rates of insurance are not stated in the law. The general principle is laid down that the technical demands of the insurance theory must be strictly complied with. The governing council, with the assistance of a professional insurance accountant, is required to elaborate these rates in accordance with this principle, on the basis of the best mortality tables used by life insurance companies until a national mortality table may be obtained.

An assumed rate of interest not to exceed  $3\frac{1}{2}$  per cent and a loading necessary to form a special reserve sufficient to meet the effects of fluctuations in mortality and in the interest rate must be charged in the premium tables.

In the constitution the French mortality table of 1902 (*Rentiers Francais*, usually designated as R. F.) is specifically selected. The difference between the "one-time payment" and the "recurrent payment" plan is an actuarial difference, necessitating different premium tables. The "one-time payment" system leaves the amount of payments entirely to the insured, but assigns a definite pension value to each payment made, the actual pension to consist eventually

of the total amount of pensions acquired. The pension value of each payment is determined from tables prepared in accordance with the general requirements outlined above and depends upon the age of the insured and the age at which the pension is payable. In the recurrent premium plan the premiums are computed at an annual rate, but payments at slightly increased rates may be made semi-annually, quarterly, monthly, or even weekly. Premiums which exceed 60 pesetas (\$11.58) annually must be paid monthly.

The voluntary character of the insurance is the essential feature of the system, and the employers are not required to make any contributions to the fund, but the necessity of some form of material subsidy as an encouragement to individual thrift was recognized in the law. Accordingly the law provided for an initial capital of at least 500,000 pesetas (\$96,500) to be contributed by the state treasury, as well as annual appropriations to cover the cost of administration and also for subsidizing the individual accounts. These subsidies are to be distributed among the persons insured in the institution (including the business of reinsurance and coinsurance) with the following limitation: The subsidies are to be distributed only among such persons as have made some payments during the preceding year.

The constitution of the institute further excludes persons receiving pensions from government or private sources, or who are assisted in the payment of their premiums by the State, Province, or municipalities, or who are in a favorable economic condition as evidenced by payment of direct taxes above a certain limit to be decided upon in the regulations.

All such members who are Spanish citizens living in Spain and over 18 years of age are entitled to participate. There are some limitations upon the right of foreigners living in Spain to share in the subsidy. In order to obtain it, they must have lived ten years in Spain and must be citizens of a country which grants similar privileges to Spanish citizens. This latter qualification is waived in case of Portuguese subjects of Spanish-American countries. It may also be modified by diplomatic action.

The constitution of the institute further provides that the council elaborate rules for distribution of the subsidies to insured persons who have chosen the age of 55, 60, and 65 for maturity of pensions.

The amount of subsidy thus granted must be converted into additional pensions in accordance with the conditions and rates at the time of payment, or it may be converted into a temporary annuity to run until the maturity of the contracted pension. No subsidy to anyone insured shall exceed 12 pesetas (\$2.32) per annum during the first ten years of the existence of the institute. Preference should also be given to individuals whose insurance amounts to a pension of less than 365 pesetas (\$70.45) per annum, as against those whose pen-

sions might be increased by the subsidy to an amount exceeding that sum. Special subsidies should also be granted to those who because of advanced age at the time when the law goes into effect are obliged to contract pensions for a higher rate and shorter time. Also special subsidy funds granted for the benefit of individuals, or groups of individuals, must be distributed in accordance with the conditions of the grant and the special rules of the institute pertaining thereto. . The methods of determining annually the actual amounts of benefits, subject to the above regulations, are described below in connection with the financial organization of the institute.

The conditions qualifying the insured persons to participate in the special or preferential subsidy are stated in detail in the constitution of the institute. A person possessing any of the following qualifications is entitled to receive this preferential subsidy:

(1) If the pension will not reach 365 pesetas (\$70.45), as determined by the assumption that the average payments for the three years preceding would be continued until the pension matures.

(2) If the person contracts to pay a higher premium for a pension to mature at a shortened period because of advanced age at the time of taking insurance. This applies to persons 45 years of age and over and only for the first fifteen years of the operation of the law.

(3) If the person contracting for an old-age pension with reserved capital assigns half of the reserved capital to his heirs.

(4) If the insured person also insures two children in the institute.

(5) If the insured person is included in a plan of collective insurance which satisfies the preceding condition.

(6) If the insured person depends upon an immediate pension because of absolute disability to work.

(7) If the insured person has for three years annually paid in under the plan of one time payments amounts sufficient to produce pensions equal to or greater than that purchased during the first year.

Only one preferential subsidy shall be given to those combining several of the qualifications enumerated above, except that an extra subsidy may be given for the disability qualification.

The preferential subsidies paid in virtue of qualifications 1, 3, 6, and 7 shall be discontinued when the qualifications cease, and in case of the first qualification (concerning the value of the pension being below 365 pesetas, \$70.45) when the pension later exceeds that limit, not only do the subsequent preferential subsidies cease, but the earlier ones are deducted.

**FINANCIAL ORGANIZATION.**—The revenues and property of the institute shall for no reason be used for any other purpose than the payment of pensions or annuities to the insured and for the expenses of administration. Moreover the law protects the contributions of the insured against the danger of being made to carry excessive

charges for expenses of administration by strictly defining the sources of revenue which may be used by the institute for such expenses. These sources are as follows:

1. Subsidy which is granted by the State for this purpose.
2. Interest on the endowment.
3. Any other donation intended for that purpose.
4. A special loading of the premiums, which must not exceed 3 per cent and must not be used to cover operations of a date preceding the establishment of this loading.

The financial organization of the institute demands the existence of a mathematical reserve to cover obligations toward the insured and of a special reserve as mentioned above. After the mathematical reserve and the special reserve have been formed, all surplus funds from each year's operations must be turned into the subsidy fund. The part of the annual appropriations from the State which is not used for expenses forms the foundation of the subsidy fund. To this all the above-mentioned surplus funds are added.

The subsidy fund is divided annually, in accordance with certain regulations, among all members entitled to it. The institution publishes annually detailed balance sheets of income and expenditures, and every five years it publishes a technical balance sheet showing the actual value of annuities purchased and of property and securities representing the mathematical reserve.

In the computation of the mathematical reserve the same table of mortality and rate of interest must be utilized as in computing the premiums of the insured.

**ADMINISTRATION.**—The organization of the institute is planned to combine its formal independence with reasonable governmental control. It has independent legal existence, its own system of administration, and the power to purchase, sell, and hold property, make debts, etc. The funds of the institute are entirely separate from those of the state treasury, and the State does not assume any responsibility beyond that of control as provided for by law. The general supervision rests with a governing council (*consejo de patronato*), which must elaborate the constitution and regulations (subject to the approval of the minister of interior), prepare the rates, and control the actions of the executive committee. The council consists of the presiding officer and fourteen members, to be appointed by royal decree upon nomination by the Ministry of Interior; the presiding officer and one-half of the members of the council are to be selected by this ministry directly, and the other half are nominated upon recommendation of the Institute of Social Reforms. In order to have the interests of both employers and employees represented in the insurance institute it is required that the seven nominees of the Institute of Social Reforms shall include one labor delegate and one employers' dele-

gate from the institute. Vacancies in the council are to be filled upon the nomination of the council itself, except that the chairman is always chosen directly by the minister of interior. The council elects an executive committee (*junta de gobierno*) of five members.

The headquarters, the main depository office, and the treasury of the institute, during the first ten years of its existence, at least, must be connected either with the Madrid Savings Bank or with some other national credit institution which may offer preferable conditions. It may establish agencies in Provinces and special localities, and even in foreign countries, if desirable for the convenience of the Spanish residents. The institute must make an effort to establish these branches in connection with the local savings banks or similar institutions for old-age pensions, it being required, however, that these institutions keep the insurance business entirely separate from their other functions.

**RELATIONS BETWEEN THE INSTITUTE AND OTHER OLD-AGE INSURANCE FUNDS.**—The national institute and all other charitable institutions which undertake to grant old-age pensions will have their relations made closer. First, they may insure old-age pensions for their entire membership, and for such collective insurance special facilities will be offered; second, they may reinsure a part of their operations, or, third, establish a coinsurance agreement. The business of reinsurance and coinsurance must share in the benefits of the subsidy fund of the national institute. Similar relations may be established with foreign institutions of a like nature.

**GOVERNMENT CONTROL.**—For the purpose of controlling the business of the institute the Government is empowered to examine, by means of a commission of three experts, into the business management and solvency of the institute during each quinquennial period, into the mathematically calculated reserve, and into the property and investments of the institute.

Several special privileges which may be considered as substantial subsidies are conferred upon the institute by reducing the cost of administration. In litigation the cost must be remitted as that of a charitable institution; its mail is granted the reduced rates of postage as for printed matter, and for telegraphic business it is to be charged half rates.

It is exempted from all income, industrial, land, insurance, stamp, or court taxes. The certificates which the institute requires from the members or their heirs are also exempt from stamp taxes.

**EXTENSION OF THE REGULATIONS TO PRIVATE OLD-AGE INSURANCE INSTITUTIONS.**—The law provides that the regulations contained in Chapter III of the law, and which refer mainly to conditions of membership, repayment of reserved capital, and special privileges,



may be extended to private funds of old-age insurance of workmen which accept the actuarial regulations established by the law for the national institute.

**SUBSIDIARY FUNCTIONS OF THE INSTITUTE.**—While the main function of the institute is that of insuring workmen against old age by means of old-age pensions, mention must be made briefly of the other functions prescribed for the institute by law in general terms and more specifically by its constitution. These consist in fostering and encouraging all methods of social providence, as old-age pensions, savings, etc., not only by managing the old-age insurance system, but by educational work as well.

According to the constitution, this educational work is to include methods like the following: The publication of a periodical devoted to this problem (under the title of *Anales del Instituto Nacional de Previsión*); the publication of special monographs on the various forms of social providence; the formation of a reference and a circulating library devoted specially to insurance and savings; the organization of public and private conferences, especially in workmen's organizations and in societies for the study of social problems; the training of organizers and advocates of popular providence and savings; the prize competition for private individuals and organizations working in that field; the efforts to bring about cooperation between local savings institutions; the constant communication with similar national and foreign institutions and with the Institute of Social Reforms; the arbitration of disputes in matters concerning the institution for social providence, provided such disputes have been submitted to the institute; the preparation of model regulations and tariffs for mutual benefit societies; the study of sanitary and hygienic measures which are of help and importance to popular insurance; collaboration with Spanish and international congresses, relating to the work of the institute, and the efforts to initiate such congresses; supplying information to the Government, when requested, and to other authorities concerning questions of insurance, savings, and other means of social providence.

#### **PRIVATE VOLUNTARY OLD-AGE INSURANCE.**

While establishing the national institute the Spanish Government does not undertake to monopolize the function of insuring workmen against old age. On the contrary, it undertakes to encourage private institutions which pursue the same objects, by granting them all the legal privileges and tax exemptions which the national institute possesses, provided they comply with certain conditions. The Government does not, however, grant them a direct subsidy.

The provision to that effect is contained in the law of February 28, 1908, and regulations concerning institutions analogous to



the national institute were promulgated by decree of December 10, 1908.<sup>a</sup>)

Societies which may be declared analogous to the national institute and granted those privileges include workmen's old-age pension funds, established independently or as parts of mutual benefit societies or similar organizations, provided they comply with the following conditions:

(1) That they are classified by the Ministry of Interior as beneficent institutions.

(2) That they pursue aims similar to those of the national institute, including the efforts to spread habits of old-age provision by various combinations of savings and insurance.

(3) That the old-age pension funds do not grant pensions exceeding the maximum established for the national institute by 50 per cent; that they are not combined with institutions for savings, which would permit the accumulation of capital giving an annual income greater than the maximum, 1,500 pesetas (\$289.50).

(4) That in computing their premium rates these old-age pension funds use either the French mortality table (R. F., Rentiers Francais), that of Deparcieux (C. R., Caisses Retraites), that of the Spanish Geographic and Statistical Institute, that of the London Institute of Actuaries, or any other permitted by the national institute, with a rate of interest of 3, or 3½ per cent and a surcharge not exceeding 2 per cent.

(5) That they establish a mathematical reserve according to the regulations prescribed by the national institute. As long as this mathematical reserve does not exceed 25,000 pesetas (\$4,825), a special reserve of 20,000 pesetas (\$3,860) must be kept, which may be reduced to one-half or one-fourth, if 50 per cent or 75 per cent of the pensions insured are reinsured in the national institute.

(6) That they utilize the surplus of each year to the common benefit of the insured, either reinforcing the special reserve or by adding subsidies to the pension accounts or for any other similar purpose.

(7) That if the institute pursues many different aims, the accounts of the old-age pension should be kept strictly separated from the others.

Societies which comply with such demands enjoy all privileges enumerated above (page 2368), except that the privilege of freedom from cession or seizure apply to the pensions only up to the limit of 1,500 pesetas (\$289.50).

For the purpose of recognizing such private institutions, or denying the application in case of absence of any of the conditions enumerated, the Ministry of Interior must advise with the superior commission of charities (*Junta Superior de Beneficiencia*), the National Institute

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<sup>a</sup> Boletín del Instituto de Reformas Sociales, No. LIV, December, 1908, p. 608.

for Old-Age Insurance, and in case of refusal also with the Institute of Social Reforms, upon the demand of the institution concerned.

Briefly, these regulations provide for guaranties that these societies are charitable or cooperative institutions not pursuing any aims of profit or gain; that they provide only for workmen or persons of moderate aims; that they conduct their insurance business in conformance with actuarial science, and that they are properly protected with necessary reserves. The regulations therefore are analogous with the laws for recognition of mutual benefit societies, which exist in Italy, France, Belgium, and Scandinavian countries.

In conformity with the law and the regulations, the following two institutions were, on May 8, 1909, recognized by royal decrees:<sup>(a)</sup>

(1) The Barcelona Old-Age Pensions and Savings Fund (*La Caja de Pensiones para la Vejez e de Ahorros de Barcelona*), and

(2) The Leon Loan Office and Savings Fund (*La Monte de Piedad y Caja de Ahorros de Leon*).

The Barcelona fund, as explained in the royal decree conferring the privileges upon it, was recognized as a beneficent institution on November 22, 1905.

Its aims are to facilitate savings, help form deferred and immediate pensions or deferred capitals; the highest pension permitted is 2,250 pesetas (\$434.25); the savings bank does not grant any interest to accounts exceeding 5,000 pesetas (\$965), and does not insure for accumulated capitals, the interest upon which, at 5 per cent, would exceed 1,500 pesetas (\$289.50). The table of mortality used is *Rentiers Francais*, the interest rate assumed is 3½ per cent; the mathematical reserve amounted to 29,743.48 pesetas (\$5,740.49), and was sufficient to cover the obligations, and in every respect this institution complied with the demands of the royal decree of December 10, 1908.

The Leon institution is not an old-age pension fund; but one of its functions is that of a savings bank; it is destined for the use principally of workmen or other persons of moderate means. It was recognized as a beneficent institution on May 13, 1908, by a resolution passed on February 26, 1909, probably to comply with the requirements for recognition. This bank established a special form of savings accounts, the interest to be applied to the purchase of an old-age pension for the owner of the account; the limit for such an account is 10,000 pesetas (\$1,930), while for the ordinary interest-drawing account no interest is paid after 5,000 pesetas (\$965) have been deposited. This institution was held to comply with the requirements of the decree of December 10, 1908.

A few data are available concerning two private old-age insurance funds, the one in Guipuzcoa and the above-mentioned fund in Bar-

<sup>a</sup> Boletín del Instituto de Reformas Sociales, No. LX, June, 1909, pp. 1298 and 1300.

celona, and these data are mainly significant as indicating the limited operations of these funds.

The Old-Age Retiring and Pension Fund (*La Caja de Retiros para la vejez y los invalidos del trabajo*) in San Sebastian, Guipuzcoa, was established in 1900, through private benevolence, in connection with the local savings bank. The Old-Age Pension Fund (*La Caja de Pensiones para la Vejez*), of Barcelona, was established more recently, in July, 1905, and is managed by a recognized Spanish authority on insurance. The experience of these two old-age and invalidity pension funds is instructive. The organization of both funds, while differing in detail, is based upon the Belgian system. Every payment is a premium for an annual pension to mature at 50, 55, 60, or 65 years of age. In case of invalidity the pension is granted in full which, according to payments made, would have been due at maturity. The maximum pension to be granted in the Guipuzcoa fund is 1,200 pesetas (\$231.60), and that in the Barcelona fund 1,800 pesetas (\$347.40). Insurance is granted according to the plan of both "alienated" capital and "reserved" capital. In the first case the pension stops with death, while in the latter case 90 per cent of the premium payments are returned to the family whether death occurs before or after the pension age. The choice between various methods of capitalizing the accrued pensions is also given.

The operations of the Guipuzcoa fund are unimportant. In 1905 the whole number insured was 357. The total amount deposited during the year was 5,583 pesetas (\$6,077.52), and the total capital was 44,435 pesetas (\$8,575.96).

The Barcelona fund began business on July 1, 1905, with 223 accounts, amounting to 64,048 pesetas (\$12,361.26). By October 31, 1907, that is, within twenty-eight months, the total deposits reached the sum of 2,270,599 pesetas (\$438,225.61), as against the total withdrawals of 918,459 pesetas (\$177,262.59). This appears to show a demand for old-age insurance among the wage-working populations of the large Spanish cities.

#### RAILROAD EMPLOYEES' FUND.

The most important old-age pension fund is the General Union of the Employees of the Spanish Railroads, established in 1888, which had 18,307 members on December 31, 1906. Its aims are: (1) To furnish pensions to members in case of invalidity and to their families in case of death; (2) to help members with loans; and (3) to defend their rights and interests. The pension fund is the most important feature of the organization. The income of the fund is derived mainly from monthly contributions of the members, equal to 3 per cent of their salary or wages. Ninety per cent of the income

from this source goes to the pension fund, 5 per cent to the loan fund, and 5 per cent to expenses of administration.

The pensions are granted (1) in case of invalidity, if the disabled employee has no other source of income; (2) in case of superannuation, at the age of 55 after at least 25 years of service, or at the age of 60 after 20 years of service, provided the member gives up his employment in the railroad service; and finally a pension to the member's family in case of death, in the following order: To the widow, the children, or to the parents. The pension fund of the association on December 31, 1905, amounted to 3,162,411 pesetas (\$610,345.32), and the loan fund 153,128 pesetas (\$29,553.71), giving a total on hand of 3,315,539 pesetas (\$639,899.03). The total income in 1906 was 849,925 pesetas (\$164,035.53). Of this amount, the monthly contributions of the members equalled 668,984 pesetas (\$129,113.91), and the interest on investments 140,023 pesetas (\$27,024.44), leaving 40,918 pesetas (\$7,897.18) from all other sources of income. The amount paid out in pensions was 391,673 pesetas (\$75,592.89), in other subsidies 15,918 pesetas (\$3,072.17), and the cost of administration was 32,316 pesetas (\$6,236.99), giving a total expenditure of 439,907 pesetas (\$84,902.05). The cost of administration constituted 7.3 per cent of the total expenses and only 3.8 per cent of the total receipts. The excess of the receipts over expenditures was 410,018 pesetas (\$79,133.47), bringing the assets on December 31, 1906, up to 3,725,557 pesetas (\$719,032.50). The number of pensions granted in 1907 was 172 (or 9.4 per 1,000), and the amount of these pensions 77,671 pesetas (\$14,990.50), being an average of 452 pesetas (\$87.24) per pension. The total number of pensioners carried on the rolls on December 31, 1906, was 931, and the total sum of pensions paid out during 19 years of its existence, 1,972,065 pesetas (\$380,608.55).<sup>(a)</sup>

#### LIFE INSURANCE IN CONNECTION WITH WORKMEN'S DWELLINGS.

Some months before the National Institute for Old-Age Insurance was established by the Government an additional function was suggested for it by the Institute of Social Reforms. This was in connection with measures planned for the improvement of the housing conditions of wage-earners.

For several years the Institute of Social Reforms had under consideration a legislative proposal for government encouragement of improved housing conditions. Early in 1907 an exhaustive monograph was published on the subject, containing suggestions for such a law based upon a careful study of the conditions and existing legislation throughout Europe. The draft of a bill based upon these suggestions was presented to the institute by a special committee, in

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<sup>a</sup> *Arbeiterversicherung in Spanien*, Dr. Zacher, pt. xva, p. 29.

June, 1907, that is, about eight months before the national institute was established. The bill proposes the establishment of local housing commissions, confers many privileges and subsidies upon workmen who make efforts to acquire homes and upon associations organized for the purpose of building workmen's homes, establishes funds for extending loans for such purposes, etc.

The draft of the bill was formally approved by the Institute of Social Reforms on April 27, 1908, and referred to the Government. That proposals of the Institute of Social Reforms have considerable weight with the Cortes is shown by the fact that the bill establishing the National Institute for Old-Age Insurance was adopted as presented.

It is not necessary to present a detailed analysis of the entire bill relating to workmen's dwellings. The third chapter is devoted to a plan for combining life insurance with the purchase of cheap dwellings by workmen or other people of small means. The general purpose of the plan is to insure the payment of the debt contracted for the purpose of building or purchasing cheap dwellings, thus removing the main objection a man of moderate means might have to an undertaking of this kind, lest his unexpected death make it impossible for his family to meet the obligations. This branch of insurance is to be intrusted to the national institute. For this purpose a section of popular life insurance is to be established in the institute. The form of insurance is to be the same as that known in the United States as the endowment plan and for the total amount of the debt contracted, the policy to mature at the same time that the debt matures or at the death of the insured.

While being an integral part of the administrative organization of the national institute, this section is to be kept separate as far as its functions and accounts are concerned. It is to have its own initial capital, to be appropriated by the State, which should amount to at least 500,000 pesetas (\$96,500), of which 200,000 pesetas (\$38,600) may be invested in loans upon cheap dwellings at 3½ per cent. The part of the assets equal to the mathematical reserve is to be kept intact and administered by the national institute.

The limit of the insurance is to be the value of the building, or 5,000 pesetas (\$965). A medical examination of the applicant for insurance is to be required, for which government physicians are to be appointed. In case of an abnormal state of health which is not grave enough to cause the rejection of the applicant, a modified policy may be granted with medical reexaminations at definite periods, the value of the policy in case of death being very low during the first period and gradually increasing according to certain tables.

The premiums are to be paid in monthly installments, with a reduction of 3 per cent in case of annual payments. If the payments of the



premiums are interrupted, the insured is to be given a reduced policy according to the paid-up premium, to mature at the same time as the policy originally contracted, but in exceptional cases the policy may be redeemed in cash. A policy may be renewed within eight months by the payment of delinquent premiums and interest charges computed at 3 per cent. A medical reexamination is to be required.

The insured is to receive dividends, which may be used either for reducing the premiums or for increasing the capital value of the policy. The original amount of the policy can not be attached or used for any other purpose than to pay the claim of the institution granting the loan upon the property. It is possible to transfer life insurance into pension insurance, or vice versa. If the premium is more than is necessary for the purposes of the insurance (i. e., the payment of the loan), the excess is transferred to the pension-insurance section of the institute and credited to the insured.

According to the latest information this feature of the proposed law was postponed. On July 16, 1910, the bill was introduced in the Cortes, but the provisions concerning the insurance feature were eliminated, the chapter relating to combining life insurance with the purchase of cheap dwellings being reduced to the statement that this matter will be treated in the special law concerning popular life insurance, to be introduced by the Government. It is explained in the preamble to the bill that it is intended to extend the operations of the National Institute for Old-Age Insurance to include such popular life insurance, and the matter of insurance in case of purchase of a dwelling will naturally form a part of that law.

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**CHAPTER XI.**

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**WORKMEN'S INSURANCE IN SWEDEN.**

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## CHAPTER XI.

### WORKMEN'S INSURANCE IN SWEDEN.

#### INTRODUCTION.

From the earliest times Sweden has been very largely an agricultural country. Although the occupations of the people have been undergoing changes along the same lines as have been apparent in other countries, changes which have brought about the increasing proportion of the industrial at the expense of the agricultural element and the concentration of the population in the cities, still it is only within the most recent years that these changes have been very marked. It is true, of course, that mining has for centuries occupied an important place, but the number of workmen engaged therein has been comparatively small, being at the beginning of the present century less than one-third of 1 per cent of the population. Up to the last few decades the mechanical industries occupied a subordinate position, chiefly due to the lack of coal and the costliness of its importation. In recent years, however, the scientific development of water power, so abundant in Sweden, has had the effect of greatly increasing the proportion of the population engaged in manufacturing industries; in fact, the proportion has more than doubled within the last three or four decades. The following table shows the relative growth of the main classes of occupations since 1870:

NUMBER AND PER CENT OF PERSONS ENGAGED IN EACH SPECIFIED CLASS OF OCCUPATIONS, 1870, 1880, 1890, AND 1900.

[Source: Statistisk Tidskrift, Kungl. Statistiska Centralbyrån.]

Class of occupations.	Persons engaged in each class.				Per cent engaged in each class.			
	1870.	1880.	1890.	1900.	1870.	1880.	1890.	1900.
Agriculture and fishing.....	2,995,844	3,078,274	2,914,984	2,756,704	71.9	67.4	60.9	53.7
Industries.....	613,414	810,341	1,087,072	1,484,230	14.7	17.8	22.7	28.9
Trade and transportation ....	210,940	326,091	426,911	544,324	5.1	7.1	8.9	10.6
Public service, etc.....	348,327	350,962	356,014	351,183	8.8	7.7	7.5	6.8
Total.....	4,168,525	4,565,668	4,784,981	5,136,441	100.0	100.0	100.0	100.0

With regard to the concentration of the population in the cities, the percentage of urban population in Sweden is still very much below that of western Europe generally, as is shown by the following table of the growth of urban population during the nineteenth century.

PER CENT OF THE POPULATION OF SWEDEN LIVING IN CITIES, BY TWENTY-YEAR PERIODS, 1820 TO 1900.

[Source: Statistisk Tidskrift, Kungl. Statistiska Centralbyrån.]

End of year—	Population.			Per cent of population in cities.
	Rural.	Urban.	Total.	
1820.....	2,330,798	253,892	2,584,690	9.82
1840.....	2,835,204	303,683	3,138,887	9.67
1860.....	3,425,209	434,519	3,859,728	11.26
1880.....	3,875,237	190,431	4,065,668	15.12
1900.....	4,032,490	1,103,951	5,136,441	21.49

The result of the conditions outlined above is that the problem of the protection of the working classes has never come into such prominence in Sweden as in the more pronounced industrial populations of western Europe. Up to the last decade of the nineteenth century the legislation on the subject was scant and fragmentary, and even the present legislation rests largely on the old bases. The principle of compulsory insurance, so widely applied now in other countries, has not yet received legislative sanction in Sweden, except for government employees.

The general question of workmen's insurance was first taken up by the Government in the year 1884. On May 11 of that year a member of the Lower House of the Swedish Parliament introduced a resolution in that body requesting the Government to consider the question "whether and to what extent means could be found to regulate the relations between employers and employees in the matter of accidents to workmen and in provisions for old age for the latter, and whether the Government could introduce a bill in the Parliament providing for such regulation." In response to this resolution a committee known as the workmen's insurance committee was appointed by the Government on October 3, 1884. This committee prepared a report on workmen's insurance in foreign countries and introduced a number of bills looking to the protection of workmen, an account of which will be given under their separate heads. In spite of the fact, however, that the general problem was thus taken up twenty-five years ago, the Government's endeavors at a general solution of the problem have so far failed in that a unified system of workmen's insurance has not yet been attained in Sweden. It will therefore be most convenient for the purpose of the present report to consider the results so far attained under their various special heads, giving under each subject a history of the conditions that have led up to the present status thereof, and of the various attempts at legislation that have been made.

## ACCIDENT INSURANCE.

The whole system of legislation in force in Sweden to-day in regard to accidents to workmen and insurance against accidents is based upon the principle of individual responsibility of the employer for the compensation payable. This principle may be traced back to the extension of the older principle of employers' liability. By the law of April 7, 1830, amended and supplemented by that of January 25, 1842, if any soldier or sailor belonging to a body of troops which was being farmed out to work for a private person or company by what was known as "work assignment" (*arbetskommendering*) should be accidentally injured so as to incapacitate him for military service while performing such work, the person or company so employing him was bound to indemnify him by a life pension, corresponding in amount to the extent of the injury sustained. The amount of this pension was fixed by the law of 1842 at from 12 to 40 riksdaler or 24 to 80 crowns (\$6.43 to \$21.44) per annum. If the soldier was killed, a pension of 12 riksdaler (\$6.43) had to be paid to his widow as long as she remained unmarried, and an annuity of 8 riksdaler (\$4.29) to each of his children until its fifteenth year.

On March 12, 1886, the law regarding accidents to railroad employees was passed. This law provides that if such an employee is injured or killed while performing his work, the employing company is bound to indemnify him unless the injury was caused by another employee, or by a violation of the company's rules, or by gross negligence on the part of the injured person himself. If, however, the injured person was insured at the expense of the employer, the latter was exempt from liability. The amount of the indemnity was to be determined by the courts.

It will be noticed, however, that the legislation outlined above was fragmentary, providing only for special cases. It was not until the workmen's insurance committee of 1884 took up the matter that a general law was passed definitely fixing the obligation of employers to take the necessary precautions for the safety of their employees. This was the law of May 10, 1889, regarding "Protection against industrial dangers." Article 1 of the law defined its application to "industrial occupations, such as sawmills and lumber yards, excavation and similar work not coming under the head of mining (for which separate provision had been made by the law of 1884), establishments for the manufacturing or refining of mineral products, factories, shipyards, dairies, breweries, mills, establishments where mechanical trades were conducted on such a scale or under such conditions that they were to be regarded as factories, printing shops, distilleries, or other establishments that were conducted under factory conditions."



By article 2, section 1, "Every person who plies one of the industrial trades coming within the application of this law, is obliged to take all the precautions in regard to workrooms, machinery, and apparatus, which, taking into consideration the nature of the work, are necessary for the protection of the life and health of the workmen employed by him."

Section 2 enumerates the specific precautions to be taken; which are briefly as follows:

(a) Railings are required on all stairs, hatchways, and similar places where a person is liable to fall down.

(b) All elevators and hoisting apparatus must have labels indicating their capacity in weight and number of persons.

(c) Vats, basins, or other vessels which are dangerous on account of depth or contents, must be provided with guard rails.

(d) Precautions must be taken for saving the lives of the workmen in case of fire, such as fire escapes or fireproof stairways. The latter, however, need be installed in existing buildings only to such extent as can be done within reasonable cost.

(e, f, g) All engines, moving machinery, shafts, and belts must be provided with guards.

(h) Signals must be given before any machinery is started from a central power supply.

(i) Rapidly moving machinery must, as far as possible, be provided with means for quickly stopping it independently of the motors.

(k) Precautions must be taken in cleaning or oiling machinery while in motion.

Section 3 requires that sufficient ventilation, light, and heat must be provided in workshops, including precautions against injurious gases.

Section 4 requires that notices must be posted in all factories where necessary, instructing the workmen how to avoid accidents. Penalties are provided for infractions of the above requirements.

The law further provides for the appointment of a number of factory inspectors. These must be experts in the subject, and must make regular inspections of all the factories in their respective districts. They must see to it that the law is complied with to such an extent as can be reasonably demanded with regard to expense, and must furnish the owners of factories with advice, information, and suggestions as to the best methods of applying the legal precautions. Owners are to be proceeded against criminally only in case they refuse to comply with the reasonable demands of the inspectors.

The workmen's insurance committee of 1884 also laid before the Government a project of law for insurance against industrial accidents. In agreement with its report the Government prepared a bill which it presented to the Parliament on March 12, 1890. The princi-

pal provision of this bill was that workmen employed in certain industrial occupations should, at the expense of their employers, be insured against industrial accidents in a state insurance institute, and this insurance was to be compulsory. Persons employed in other occupations should also have the privilege of becoming voluntarily insured in the state institute. This bill was rejected by the Parliament, as was also a similar bill presented in the following year which differed but slightly from the preceding. The main point of difference between the views of the Government and of the Parliament was that the former were based upon the principle of compulsory insurance, the latter on that of employers' liability, and, as we shall see, the point of view of the Parliament prevailed.

After the failure of the attempts at legislation for old-age and invalidity insurance, made during the last decade of the nineteenth century, the Government again took up the question of accident insurance in the year 1900. In that year a project was submitted to the Parliament based upon the principle of employers' liability, the principle of compulsory insurance having been abandoned in view of the opposition of the Parliament. The principal provision of the bill was that the employer could avoid liability by insuring his workmen in some insurance company to be approved for this purpose by the Government. In this provision the bill took the Danish law as a model. Another provision was that the judgment of the court of first instance should be final in regard to the indemnity, the object being to discourage unreasonable contests of claims on the part of employers. The bill was, however, rejected by the Upper House, although the Lower House accepted it with certain modifications, chief among which was that a state insurance institute was to be provided for the voluntary insurance.

The following year the Government laid a new bill before the Parliament, in which the modifications desired by the latter had been embodied. This bill was passed by a large majority, and was promulgated on July 5, 1901, as the "Law regarding indemnity for injury caused by industrial accidents."

The following are the principal provisions of this law:

#### PROVISIONS OF THE LAW OF JULY 5, 1901.

##### EXTENT OF THE APPLICATION OF THE LAW.

If a workman or foreman employed in one of the occupations enumerated below is injured in an accident while at work, such an accident causing either death or disability lasting over 60 days, the employer is obliged to indemnify him in the manner hereafter described.

Such indemnity, however, shall not be due in any case for injury which the injured person intentionally or by gross carelessness brings upon himself, or for injury caused by a third person who was not in charge of or exercised supervision of the work.

The occupations in which the employer is liable are:

1. Forestry, sawmill, or lumber-yard activities;
  2. Harvesting of ice or peat;
  3. Mining, stone or lime quarrying, or other occupations affecting the utilization or refining of mineral products, and which do not come under the category of mechanics' trades;
  4. Factory work;
  5. Shipbuilding, distilling, brewing, baking, slaughtering, dairying, or milling, which are conducted in such a manner or on such a scale that they are to be regarded as factory activities;
  6. Printing;
  7. Manufacturing of explosives;
  8. Chimney cleaning;
  9. Floating of wood;
  10. Loading or unloading of goods;
  11. Railroad or street railway traffic;
  12. Building activities, including the building of roads and water-works;
  13. Blasting, tunnelling, masonry work, timbering or roof thatching;
  14. Erection of electrical conduits, or of gas, water, or sewer conduits;
  15. Activities applied toward the production, transmission, or distribution of electricity, as well as the distribution of gas or water.
- If the State or a commune exercises in an industrial manner any of the occupations mentioned above, the State or the commune shall be liable for injury resulting from accidents due to the exercise of such activity.

#### NATURE AND AMOUNT OF INDEMNITY.

(1) **TEMPORARY DISABILITY.**—If the accident causes material reduction in the injured person's capacity for work for more than sixty days after the accident, an indemnity of one crown (26.8 cents) is paid as sick relief for each day, from the sixty-first day until the injured person recovers, or until there is apparent a permanent loss or reduction of capacity for work, or until death ensues.

(2) **PERMANENT DISABILITY.**—If the accident results in permanent loss or reduction of working ability, a life annuity is paid, in the former case of 300 crowns (\$80.40), and in the latter case of a smaller amount corresponding to the degree of reduction of working ability, said annuity to be reckoned from the sixty-first day after the accident,

or from such later time when the permanent loss or reduction of working ability is established; the annuity, however, shall not be payable if the reduction of working ability amounts to less than ten per cent, to be determined as described below.

(3) DEATH.—If the accident results in death within two years the following payments are made:

(a) Funeral help amounting to sixty crowns (\$16.08);

(b) To the widow, if married to the injured person before the accident, a life annuity of 120 crowns (\$32.16) from the date of the death of the injured as long as the widow lives unmarried, and to each child born before the accident, or after the accident in wedlock contracted before, an annuity of 60 crowns (\$16.08) from the date of death until the child reaches the age of 15 years, provided, that if the annuities thus accruing to the survivors of the injured person should exceed a total of 300 crowns (\$80.40), the annuity to each one shall be reduced in proportion so long as may be necessary to keep the total within the maximum of 300 crowns (\$80.40).

#### DEGREES OF INVALIDITY.

The law gives certain rules for estimating the degree of reduction of working ability, which is expressed in percentages according to the nature and extent of the injury, the nature of the injured person's regular occupation, his physical condition before the accident, age, sex, etc.

#### EXEMPTION OF EMPLOYER FROM LIABILITY.

If the injured person is insured at the employer's expense, the benefits paid under such insurance shall be deducted from the amount to which the employer is liable under this law. The law also provides that the injured person shall not be barred from making a claim for indemnity in accordance with the common law, but that the employer may deduct from any indemnity thus awarded the amounts to which he is liable under this law.

The law provides for the establishment by the State of a State Insurance Institute for the purpose of assuming, in the manner described below, the employer's liability for the indemnity.

Employers shall have the right to insure their employees against accidents coming under this law in the State Insurance Institute with the effect that so long as such insurance is in force the employer shall be free from liability under the law.

If an employer becomes liable, as a result of an accident, for an annuity in accordance with this law, he may free himself from such liability by the purchase of the required annuity from the State Insurance Institute.

**GUARANTEES FOR THE PAYMENT OF THE ANNUITY.**

If an employer who is liable for an annuity neglects to pay the same, or if he retires from business or leaves the country, or if his business goes into liquidation, the annuitant may apply to the authorities that security for the payment of the annuity be deposited. If such application is granted and the security is not given, the authorities shall demand from the person liable for the annuity the immediate payment in one sum of the capital value of the annuity at that time. The amount so paid shall, however, not be paid to the annuitant, but shall by the authorities be paid to the State Insurance Institute, which shall then become liable for the annuity.

**SPECIAL AGREEMENTS WITH EMPLOYERS.**

Employers who wish to make special agreements with their employees regarding indemnities for future accidents must first submit such agreements to the State Insurance Institute for approval. The agreement must not be approved by the institute if, after investigation, the latter finds that it is disadvantageous to the employees.

**INSURANCE FOR PERSONS IN OTHER OCCUPATIONS.**

If an employer who exercises any business other than those covered by the law wishes to provide, by means of insurance in the State Insurance Institute, for indemnity for accidents in accordance with this law, he shall have the right to do so. If such insurance is taken, the provisions of the law shall apply thereto.

Workmen, whether employed in an occupation covered by the law or not, shall have the right to provide indemnity for industrial accidents for themselves by insurance in the State Insurance Institute in accordance with the terms of the law.

**COSTS OF THE INSURANCE.**

The premiums for the insurance of workmen in the State Insurance Institute shall be fixed at such amounts as shall be found on insurance technical bases to be sufficient to cover the risks, having regard to the dangerous character of the occupation in question and to the special conditions under which it is carried on. The expenses of management of the State Insurance Institute shall be borne by the State.

The law was to go into force at such time as the King should determine, as soon as the State Insurance Institute had been organized. Accordingly it went into force on January 1, 1903.

## STATE INSURANCE INSTITUTE.

The State Insurance Institute was organized by the royal decree of June 9, 1902, and began its work on September 1 of the same year. Besides preparing tables of rates and other preliminary matters, one of its first objects was to put into force a system for the collection of premiums and payment of claims. To this end an arrangement was made with the Swedish postal savings banks, embodied in a regulation issued by the director of the latter on November 5, 1902. The local post-offices are to deliver the policies and receive the premiums therefor, issue receipts for renewal premiums, made out by the insurance institute and countersigned by the postal officials, and finally make all payments of benefits. Agents of the institute were also appointed in the various localities, whose functions were to act as its local representatives, disseminate information and extend the activity of the institute, be present at police investigations of accidents, etc.

Practically all the policies of insurance issued by the institute are "collective" policies, by which all the workmen employed in one factory or by a single employer are collectively insured under one policy. Two kinds of these policies are issued: (1) Insuring certain particular persons, whose names are stated in the policy, and (2) insuring a certain mean number of workmen in a given factory, without any names being given. The first kind is usually taken for establishments where employment is relatively permanent, or where only a part of the employees had to be insured, and no other means were at hand for defining the extent of the insurance. In the majority of cases, however, this method is impracticable owing to the frequent changes in the list of employees, and in these cases the second form of policy is used. A provisional premium is paid when the policy is issued, based on the mean number of workmen expected to be employed during the year. At the end of the year an adjustment is made in accordance with what the actual facts were found to have been. For this purpose a provision is inserted in the contract to the effect that the employer must keep his books in such a way as to show the entire number of days' work performed by all the insured employees; this is then divided by 300, the number of working days in a year, and the result is adopted as the actual number of "year workers" covered by the policy. If this is found to be greater or less than the provisional number stated in the policy, a corresponding addition or deduction is made in paying the next year's provisional premium.

For the purpose of calculating the premiums the institute gathered statistical information regarding accidents, partly by means of a blank form of inquiry distributed to the employers, partly from the factory



inspectors, and, after it began its operations, from its own experience. The premiums adopted at the beginning were of course subject to revision as more experience was acquired, and after three years' investigation the institute issued a circular on November 22, 1906, giving more definitive rates. The various industries are grouped into "danger classes" according to the frequency and nature of the accidents observed therein. The premiums for each class are determined within certain limits; the exact premium in any particular case depends upon special circumstances and will be furnished on application. The following table shows the maximum and minimum premiums for each class according to the circular of November 22, 1906, and which are still in force:

**PREMIUM RATES FOR INSURANCE IN THE STATE INSURANCE INSTITUTE, BY RISK CLASSES.**

[Source: Riksförsäkringsanstalten, Cirkulär n: r 13.]

Risk class.	Annual premium for insurance according to the law.		Additional premium for sick relief before sixty-first day.		Risk class.	Annual premium for insurance according to the law.		Additional premium for sick relief before sixty-first day.	
	Minimum.	Maximum.	Minimum.	Maximum.		Minimum.	Maximum.	Minimum.	Maximum.
A.....	\$0.064	\$0.193	\$0.214	\$0.214	VI.....	\$1.286	\$1.930	\$0.415	\$0.549
B.....	.193	.322	.214	.214	VII.....	1.608	2.380	.482	.616
I.....	.257	.515	.214	.241	VIII.....	1.994	3.023	.549	.683
II.....	.450	.708	.214	.281	IX.....	2.508	3.086	.616	.750
III.....	.643	.900	.241	.348	X.....	3.087	4.502	.683	.817
IV.....	.836	1.222	.281	.415	XI.....	3.795	5.596	.750	.961
V.....	1.029	1.544	.348	.482					

For the purpose of the insurance for sick relief before the sixty-first day after an accident, an account of which is given below under "Extensions of the system," a number of industries are placed in a higher class than for the insurance according to the law of 1901.

Following is the list of the particular kinds of factories coming under each of the above classes for the purpose of the insurance provided by the law of 1901. In the second column is given the class to which the respective factories are assigned for the purpose of additional insurance for sick relief before the sixty-first day.

INDUSTRIES IN EACH RISK CLASS FOR INSURANCE ACCORDING TO THE LAW OF 1901, AND FOR ADDITIONAL INSURANCE FOR SICK RELIEF BEFORE THE SIXTY-FIRST DAY.

[Source: Riksförsäkringsanstalten, Cirkular n : r 13.]

Class for insurance according to law of 1901.	Class for sick relief before sixty first day.	Industry.	Class for insurance according to law of 1901.	Class for sick relief before sixty first day.	Industry.
A	A	Cigar factories without engines.	IV	IV	Oleomargarine factories.
B	B	Cigar factories with engines.	IV	IV	Rubber-goods factories.
B	B	Confectionery and sugar factories with engines.	IV	IV	Soap factories with engines.
B	B	Corset factories.	IV	IV	Street railway traffic.
B	B	Cotton-weaving establishments.	IV	IV	Tile factories.
B	B	Tricot factories.	IV	IV	Window-glass factories.
I	I	Cap factories with engines.	V	V	Wine factories.
I	I	Cotton-printing establishments.	V	VIII	Agricultural labor.
I	I	Glove factories.	V	V	Agricultural-machinery factories.
I	I	Porcelain factories.	V	V	Bone mills.
I	I	Tobacco factories.	V	V	Brandy distilleries.
I	I	Woolen weaving.	V	V	Cement factories.
II	II	Book binderies with engines.	V	V	Chimney sweepers.
II	II	Dairies.	V	V	Flour mills.
II	II	Glass (other than window) factories.	V	V	Gas works.
II	V	Metal-ware factories.	V	VIII	Iron foundries.
II	II	Nickel-ware factories.	V	VIII	Machine shops with brazing.
II	V	Physical-instrument factories.	V	V	Mineral-water works.
II	II	Printing shops with engines.	V	V	Paint factories.
II	II	Saddleries with engines.	V	V	Paint shops.
II	II	Sewing.	V	V	Porters.
II	V	Sewing-machine factories.	V	V	Railroad traffic.
II	II	Shoe factories with engines.	V	V	Railroad traffic.
II	II	Snuff factories.	V	V	Starch factories.
II	II	Spinning mills.	V	V	Tanneries.
II	II	Stove setting.	VI	V	Water-conduit works.
II	V	Surgical-instrument factories.	VI	VI	Breweries.
III	III	Bakeries with engines.	VI	VI	Brick kilns with engines.
III	VI	Carriage factories.	VI	VI	Cabinetmakers' shops with engines.
III	VI	Carriage-wheel factories.	VI	VI	Glue factories.
III	III	Cotton-spinning mills.	VI	VII	Large sawmills.
III	VI	Dairy-machinery factories.	VI	VI	Peat works with engines.
III	III	Dyeing establishments.	VI	VI	Piano factories with engines.
III	VI	File factories.	VI	VI	Piano factories with engines.
III	VI	Gold and silver ware factories.	VI	VI	Road making.
III	III	Hat factories.	VI	VI	Turning shops with engines.
III	X	Iron-smelting works, not mines.	VII	VI	Carrying trade.
III	VI	Knife smithies.	VII	VII	Cellulose and wood pulp factories.
III	VI	Lamp factories.	VII	VII	Chair factories.
III	III	Malt works.	VII	VII	Coal yards.
III	VI	Nickel-plating works.	VII	VII	Harbor building.
III	III	Paper-hangers' shops.	VII	VII	House building.
III	III	Peat works with engines.	VII	VII	Paper factories.
III	III	Potteries.	VII	VII	Shipyards.
III	III	Sugar refineries.	VIII	VII	Ditch and earth works.
III	VI	Tinners' shops.	VIII	VIII	House-carpenter shops with engines.
III	III	Wool-spinning mills.	VIII	VIII	Limestone-cutting works.
IV	IV	Carriage factories with engines.	VIII	VIII	Lumber yards.
IV	IV	Chemical laundries.	VIII	VIII	Macaroni factories.
IV	VII	Electrical-machinery factories.	VIII	VIII	Railroad building.
IV	IV	Installation of gas and water conduits.	VIII	VIII	Slaughter and provision houses.
IV	VII	Iron and steel ware factories.	IX	IX	Coal mines.
IV	VII	Iron-fixtures factories with engines.	IX	IX	Firewood sawmills.
IV	VII	Machine shops without brazing works.	IX	IX	Granite-cutting works.
IV	IV	Match factories.	IX	IX	Ore mines.
			XI	IX	Stone quarries.
				XI	Trunk factories.
					Loading and unloading ships.

Several changes have been made since the above tariff went into force; thus in December, 1907, house and harbor building were reduced from class VII to class V, paper and wood-pulp mills from class VII to class VI, while the premiums for additional sickness insurance for persons engaged in loading and discharging cargoes from ships have been nearly doubled.

For the purchase price, or capital value, of the annuities prescribed by the law, the institute prepared a table of rates in 1902, based upon the mortality experience of the population of Sweden from 1881 to 1890, and an interest rate of 3.5 per cent. In the case of the annuity for widows the calculation was complicated by the fact that the annuity was to cease at the remarriage of the annuitant. Furthermore, the general statistics of remarriage were not applicable for the reason that the loss of the annuity would be a motive for not marrying again. The institute therefore adopted an hypothetical remarriage factor.

The following table shows the rates adopted (given here for every fifth year of age) for the purchase of the annuities required by the law. The second column is for an annuity of 300 crowns (\$80.40) to an injured workman; the third column for the same annuity for a woman worker (these being calculated according to the different mortality experience for males and females); the fourth column is for an annuity of 120 crowns (\$32.16) to the widow of a workman killed by accident, this annuity being payable only until remarriage; the last column is for an annuity of 60 crowns (\$16.08) to the child of a workman killed by accident, payable until the age of 15. The annuities are payable quarterly.

PURCHASE PRICE OR CASH VALUE OF ANNUITIES PAYABLE BY THE STATE INSURANCE INSTITUTE, BY AGE OF ANNUITANT AND CLASS OF ANNUITY.

Age of annuitant (years).	Purchase price or cash value of annuity of—				Age of annuitant (years).	Purchase price or cash value of annuity of—			
	\$80.40 for workman injured by accident.	\$80.40 for woman worker injured by accident.	\$32.16 for widow of workman killed by accident.	\$16.08 for child of workman killed by accident.		\$80.40 for workman injured by accident.	\$80.40 for woman worker injured by accident.	\$32.16 for widow of workman killed by accident.	\$16.08 for child of workman killed by accident.
0.....				\$156.16	40.....	\$1,397.43	\$1,457.89	\$564.14	.....
5.....				131.72	45.....	1,289.86	1,355.54	533.21	.....
10.....				73.14	50.....	1,170.30	1,234.70	490.41	.....
14.....				15.79	55.....	1,038.37	1,098.42	438.23	.....
15.....	\$1,772.18	\$1,806.35			60.....	898.15	950.25	390.02	.....
20.....	1,708.50	1,750.47	\$574.86		70.....	605.49	651.16	269.83	.....
25.....	1,650.05	1,689.69	583.57		80.....	350.38	387.45	154.98	.....
30.....	1,580.18	1,622.79	587.86		85.....	201.96	227.93	91.17	.....
35.....	1,495.04	1,545.69	581.99						

FINANCIAL STATISTICS.

The expenses of management of the institute are borne entirely by the State, and are paid out of the interest on the "Workmen's Insurance Fund" (see p. 2425). These expenses, therefore, do not appear in the financial statements of the institute, but are kept in a separate account. The expenses of organization amounted to 37,400 crowns (\$10,023.20), and the expenses of management during the first year of the institute's operations, 1903, amounted to 67,478.40 crowns (\$18,084.21), of which 38,400 crowns (\$10,291.20) were

paid for salaries, and in addition to which 10,534.68 crowns (\$2,823.29) were incurred by the postal savings banks in connection with the insurance activity of the institute. The total amount of premiums of all kinds collected during the first year was 324,817.99 crowns (\$87,051.22), from which should be deducted premium adjustments paid out, 4,244.00 crowns (\$1,137.39), while 7,670.25 crowns (\$2,055.63) were paid out in claims during that year. The assets accumulated at the end of 1903 therefore amounted to 319,145.11 crowns (\$85,530.89), which amount covered the following liabilities:

LIABILITIES, DECEMBER 31, 1903.<sup>(a)</sup>

Premium reserve.....	\$6, 263. 33
Reserve for pending claims.....	15, 276. 00
Annuity reserve.....	47, 337. 71
Contingency reserve.....	12, 910. 12
Other liabilities.....	3, 743. 73
Total.....	85, 530. 89

For the year 1908 the finances of the institute stood as follows:<sup>(b)</sup>

## RECEIPTS.

Premiums for insurance.....	\$111, 290. 75
Consideration for annuities.....	83, 451. 91
Interest and market profits.....	38, 537. 05
Total.....	233, 279. 71

## DISBURSEMENTS.

Sick relief.....	\$29, 421. 07
Funeral help.....	530. 64
Capital amounts paid out.....	3, 040. 02
Annuities.....	48, 006. 88
Premiums paid in advance, etc.....	1, 179. 85
Added to the funds.....	151, 101. 25
Total.....	233, 279. 71

## ASSETS DECEMBER 31, 1908.

Cash in offices of the postal savings bank.....	\$3, 333. 03
Bank account.....	73, 941. 87
Interest-bearing bonds.....	521, 496. 05
Loans to communes.....	180, 412. 64
Mortgage loans.....	121, 940. 00
Accrued interest.....	11, 267. 83
Total.....	912, 391. 42

<sup>a</sup> Riksförsäkringsanstaltens underåriga berättelse, 1903.

<sup>b</sup> Riksförsäkringsanstaltens underåriga berättelse, 1908.

## LIABILITIES DECEMBER 31, 1908.

Advances by postal savings bank.....	\$1, 447. 19
Claims and premium adjustments settled, but not paid out at the end of the year.....	576. 49
Premiums paid in advance.....	1, 145. 42
Premium reserve.....	26, 960. 80
Reserve for pending claims.....	48, 240. 00
Annuity reserve.....	786, 673. 92
Contingency reserve.....	47, 347. 60
Total.....	912, 391. 42

The expenses of management of the institute in 1908 amounted to 105,819.69 crowns (\$28,359.68), of which 40,437.51 crowns (\$10,837.25) were for salaries, and 24,445.75 crowns (\$6,551.46) for agency expenses. In addition to these the postal savings bank incurred expenses to the amount of 13,382.31 crowns (\$3,586.46). The number of local agents of the institute at the end of 1908 was 381, distributed in 360 localities. These agents are paid a commission of 6 per cent of the premiums for collective insurances, and 0.40 crown (10.7 cents) for every individual insurance, these commissions, as well as the other expenses, being paid by the State.

## EXTENSIONS OF THE SYSTEM.

Before proceeding with the statistics of insurance in force, accidents occurred, and indemnities paid, it will be well to give an account of the present status of the insurance privileges available, as the provisions of the law of 1901 have since received a wider application than was originally contemplated, while still other extensions of its application have been proposed, although not yet adopted.

On June 3, 1904, a law was promulgated amending article 23 of the law of July 5, 1901, so as to provide for sick benefits before the sixtieth day after the accident. This law reads as follows:

Employers who, according to article 10 (of the law of 1901), insure their employees against accident in the State Insurance Institute, shall have the right to provide for their employees by means of insurance in the same institute, in addition to the benefits prescribed by article 4, sick relief or an annuity on the basis provided for by the said article 4, such that a workman who suffers a material reduction in his working ability through an accident, whether such reduction lasts more than sixty days or not, shall receive sick relief from the date of the injury, and that a workman in the case of whom the loss or reduction of working ability as a result of the injury mentioned in article 4, section 2, takes place before the sixtieth day after the accident, shall receive an annuity from the time that such loss or reduction takes place.

If an employer who conducts any trade other than those contemplated by this law, wishes, by means of insurance in the State Insurance Institute, to provide for indemnity on the bases laid down

by this law for injury resulting from accidents occurring in his establishment, he shall have the right to do so.

If an insurance such as mentioned in this article is issued, the provisions of this law applicable in such cases shall be complied with.

This law shall go into force on October 1, 1904.

It should be noted, of course, that the sick relief before the sixtieth day after the accident, as provided for by the above law, is not obligatory on the employers, but that any employer who wishes to provide such sick relief may do so by additional insurance in the State Insurance Institute. The premiums payable for such additional insurance have already been given (p. 2388).

At the time the law of 1901 went into force about 150,000 workmen were already insured in private accident insurance companies, and in nearly all such cases the insurance covered accidents happening outside as well as during working hours, whereas the law of 1901 and the policies of the State Insurance Institute provided insurance only against accidents happening during working hours. Both employers and workmen had expressed the wish that the state institute be given the authority to extend the application of its policies in a similar manner. In many cases the workmen had even demanded that they be insured against accidents outside as well as during working hours, so that the employers had been forced to place their insurance in private companies instead of in the state institute. The state institute was in favor of this extension of its functions, and in 1906 the Parliament passed a resolution requesting the Government to look into the matter, and if its views were favorable to present a bill to the Parliament making the necessary provisions. Such a bill was presented in the following year, and it became law on May 27, 1907, going into force on January 1, 1908. It does not alter the provisions of the law of 1901, but empowers the State Insurance Institute to grant insurance against accidents occurring outside of working hours, and such insurance is granted only in connection with and as an addition to the regular insurance issued in accordance with the law of 1901. The additional insurance is to be subject to the general provisions of the latter law, and the benefits are to be in accordance with article 4; that is, the same as for the regular insurance. The policy provides that the claim is payable only if the accident happens within one day after the insured has been in the service of his employer, and is void if the insured was intoxicated at the time of the accident, or if the accident happened through negligence on his part, or if he was at the time violating any law, ordinance, or warning against danger. The premium for this additional insurance is fixed by the state institute at 0.60 crown (16 cents) for an annuity beginning after the sixtieth day, and an additional 0.40 crown (10.7 cents) for sick relief or annuity before the



sixtieth day. These premiums cover insurance for the full 365 days of the year, but if the employer wishes, he may take out policies at lower rates covering only the 300 working days.

Agricultural laborers are not provided for by the law of 1901, yet the information gathered by the State Insurance Institute shows that accidents among that class of laborers are by no means infrequent, being due chiefly to falling down, driving teams, handling cattle, being hit by falling objects, and in the use of tools and implements, etc. In a circular dated March 24, 1908, the institute instructed its agents to solicit insurance among agricultural workers. The normal premium was fixed at 4.80 crowns (\$1.29) for the "legal insurance," and 1.55 crowns (41.5 cents) for the additional insurance providing sick relief before the sixtieth day, so that agricultural laborers are considered to belong to Class VI as regards the risk of accident (see p. 2388). The authority for the issuing of such policies by the State Insurance Institute is found partly in the above-mentioned law of 1904, amending article 23 of the law of 1901 so that any employer exercising an occupation other than those provided for by the law of 1901 may, if he desires, insure his employees in the State Insurance Institute, and partly in the provision of the main law granting the right of insurance in the state institute to any individual workman.

**SPECIAL ACCIDENT INSURANCE FOR FISHERMEN.**—Just as in the case of agricultural laborers, the law of 1901 leaves out of its scope another large class of workmen among whom accidents are very frequent, namely, fishermen. One of the reasons for this omission is the fact that the law of 1901 is mainly an employers' liability law, and as fishermen are in the majority of cases independent tradesmen, they would naturally come outside the scope of such a law. But on the one hand, the tendency since the law went into force has been to extend its functions so as to include all persons who belong to what is generally known as the working classes, and on the other hand it had been recognized long before the law of 1901 was passed that fishermen as a class were in particular need of insurance against accidents. The first workmen's insurance committee took the subject into consideration, and in its report of July 28, 1884, expressed itself in favor of an obligatory insurance for fishermen, to be maintained at least for a time, until experience should indicate the best plan to adopt. The subject was also considered in 1900 in connection with the projects for pension insurance for seamen.

It is true that the law of 1901, as amended in 1904, opened the way for the voluntary insurance of fishermen on the same terms as those outlined above for agricultural laborers, but the privilege was not availed of to any extent, probably because of its cost. Accord-

ingly, on December 8, 1904, the State Insurance Institute was requested to prepare a bill providing for the insurance of fishermen against accidents. It naturally suggested itself that, since the fishermen had failed to avail themselves of the privileges of insurance already accorded them, this insurance ought to be made obligatory, but the state institute advised against this, partly because of the practical difficulties in the way, and partly because of the inconsistency in making the insurance obligatory for one class of workmen while leaving it voluntary for the other classes. Instead of this, in order to overcome the objection of cost, which appeared to be the chief reason for the failure of the fishermen to insure, the institute proposed a state subsidy, not only to provide for the expenses of management, but also partly to cover the insurance itself.

In February, 1908, a proposition in agreement with this suggestion was laid before the Parliament, which authorized the State Insurance Institute to effect the special insurance of fishermen, beginning with January, 1909. The Parliament also passed an appropriation for the year 1909, and yearly thereafter, of 27,500 crowns (\$7,370) as a subsidy for this insurance, the amount to be taken out of the interest from the workmen's insurance fund. The following are the principal conditions of this insurance: Every Swedish citizen who either wholly or partly supports himself by fishing has the right to avail himself of the special insurance for fishermen. The contribution of the insured shall be 5.50 crowns (\$1.47), the insurance to cover one year, after which it may be renewed at the option of the insured. The benefits of the insurance become payable if injury or death results from an accident occurring in the performance of fishing work or in certain other cases, such as an attempt to save lives at sea. The benefits are in the main in accordance with the law of 1901, with the additional provisions that if the insured is killed in the performance of his work, and leaves no widow or children, but supported his parents or brothers and sisters under the age of 15, a single sum of 400 crowns (\$107.20) is to be paid to his parents and 200 crowns (\$53.60) to his brothers and sisters collectively, or 400 crowns (\$107.20) to the latter if the parents are dead. Additional insurance for sick relief before the sixtieth day after the accident may also be had at special rates, and also for insurance against accidents occurring outside of the regular occupation of the insured. For this additional insurance, however, the State pays only the administrative expenses, whereas if the premium for the principal insurance should be found to be insufficient the State will make good the deficit in addition to paying the expenses of management.

## EXTENSIONS AND AMENDMENTS PROPOSED.

Besides the above insurance for fishermen, a special system of accident insurance has been proposed for the members of pilots' crews. According to this project the Royal Bureau of Pilots is to be made liable for indemnity in case any member of such crews meets with an accident in the performance of his duty, which results in death within two years. The indemnity is to take the form of funeral help to the amount of 75 crowns (\$20.10), besides an annuity to the widow of 180 crowns (\$48.24) until her death or remarriage, and of 90 crowns (\$24.12) yearly to each child until its fifteenth year; or, if the insured was not married, the same annuities are to be paid to his parents and young sisters and brothers, provided they had depended for their support upon the insured.

Similar provisions have also been proposed for persons who meet with accidents in the performance of military service in time of peace. The importance of such provisions is apparent, since in Sweden every able-bodied male citizen is liable for military service. According to the law of June 14, 1901, regarding the obligation of citizens to render military service, any person who through such service loses or suffers a reduction in his ability to work is entitled to a pension from the State in accordance with the law regarding pensions in the army and navy. Since the existing law, however, does not contain specific provision in regard to the indemnity payable, the need of more definite legal provisions was apparent. In 1907 a committee of the Parliament which had the matter under consideration, expressed itself in favor of bringing the liability for such indemnity within the scope of the State Insurance Institute and under the general provisions of the law of 1901 regarding accidents to workmen. The committee, however, recommended that the indemnity for accidents in military service should be higher than that provided for industrial accidents by the law of 1901. The Parliament accordingly requested the Government to investigate the subject, and on August 16, 1907, a commission was appointed to draft a bill, one of the members of this commission being the chief of the State Insurance Institute. In December of the same year the commission presented a bill drawn up along the same lines as the law of July 5, 1901, except that the indemnities proposed were higher. In case of death the benefits were to be the same as those outlined above for the proposed pilots' insurance; if death did not result, sick relief of 1.50 crowns (40.2 cents) per day was to be paid in case of temporary incapacity for work, and in case of permanent and complete invalidity an annuity of 450 crowns (\$120.60), or of a smaller amount if the invalidity was not complete.

From what precedes it may be gathered that the feeling has been general during the last few years that the law of 1901 has a number

of shortcomings, that its application is not sufficiently extensive, and that the security it offers, even to those to whom it applies, leaves something to be desired. On January 22, 1907, the chief of the Civil Department on behalf of the Council of State addressed a memorandum to the State Insurance Institute, in which he raised the question whether, in the light of experience, the law of July 5, 1901, could be regarded as fulfilling its object and supplying the needs of those for whom it was enacted. He especially considered the questions as being in order, whether the period of waiting (sixty days), which according to the law had to intervene between the accident and the commencement of the annuity, ought not to be shortened, whether the existing provisions regarding the payment of the annuity offered sufficient security, and whether employers and workmen ought not to be granted the right to take out insurance in the State Insurance Institute for amounts larger than those provided for by the law. He therefore invited the state institute to give its opinion on these questions, and to submit a project for such amendments of the law as it thought the situation called for. By a royal mandate of September 13, 1907, issued in response to a request sent in to the Government by the Parliament on May 29 of the same year, the King requested the State Insurance Institute to consider, in connection with its revision of the law, whether the obligation of the State Insurance Institute to render official opinions in regard to the extent of the indemnity required by the law in particular cases of accidents ought not to be extended.

In response to these memorials the State Insurance Institute on January 10, 1908, sent in its report to the Government embodying a number of proposals for amendments of the law of July 5, 1901. The amendments, however, did not go as far as those which had been suggested. In the introduction to its report the institute expressed the opinion that a radical change in the bases upon which the law of 1901 had been drawn up, although it might be desirable, was not at present advisable. The reason advanced for this view was that the institution of a system of sick relief, invalidity, and old-age insurance was now the question of the day, and that the subject of accident insurance ought to be considered in connection with the other branches with a view to bringing about a unified system of social insurance.

The principal amendments which the institute proposed in its report were the following:

(1) An extension of the list of occupations in which, according to article 2 of the law of July 5, 1901, the indemnity required by the law is obligatory, so as to include also the following: Farm labor on farms whose taxable value is at least 20,000 crowns (\$5,360); all manufactures and activities in which explosives are employed; auto-

mobile and similar traffic; cleaning of streets and sewers, and similar work in commercial magazines and warehouses, when at least three laborers are employed together in such work; scavengers' work, maintenance and care taking of canals and other waterworks; house painting in which scaffolding or similar appliances are used; and work in theaters and similar establishments.

In connection with the same article 2 of the law a more precise definition of the expression "factory work" was proposed. The indefinite term used in the law had given rise to a considerable amount of confusion, so that many employers were uncertain whether they were liable under the law or not. Instead of the expression "factory work" the proposed amendment substitutes the provision that, in addition to the occupations specifically mentioned, the law shall apply also to any industrial activity in which are employed (a) motive power other than muscular force and amounting together to at least three horsepower; (b) steam boilers in which the pressure exceeds that of the atmosphere by at least one-half kilogram per square centimeter (7.11 pounds per square inch); (c) digesters with a pressure of at least one-half kilogram per square centimeter (7.11 pounds per square inch) above or below that of the atmosphere; or at least five workmen. The proposed amendment of article 2 also provides that employers shall be liable also for accidents occurring in work which the insured performs for his employer outside of his regular occupation.

(2) Increase in the amount of the indemnity. In this connection the report raises the question whether in Sweden, as in most other countries, the indemnity ought not to be graded in accordance with the scale of wages earned by the insured at the time of the accident. Although the institute was in favor of such a change, it deemed it advisable not to press the matter at the present time. Instead it proposes the following new scale of indemnity, the basis for its payment remaining unchanged: (a) The sick relief in cases of temporary invalidity resulting from accident to be increased to 1.50 crowns (40.2 cents) instead of 1 crown (26.8 cents) per day, and that, if the injured employee is treated at a hospital at the expense of the employer, the said sick relief shall nevertheless be paid in addition if the employee has a wife or children. (b) The annuity payable in case of permanent total invalidity to be increased from 300 crowns (\$80.40) to 450 crowns (\$120.60), with an additional 100 crowns (\$26.80) if the invalid requires the assistance of another person for his personal needs; furthermore, that if the reduction of working ability amounts to at least 20 per cent, the annuity payable shall be the corresponding proportional part of the annuity payable in case of total invalidity, and if the degree of invalidity is less than 20 per cent, but more than 5 per cent, the insured is to receive a single



sum amounting to five times what the corresponding reduced annuity would be, but not to exceed the capital value of such annuity. (c) In case death results from the accident, the funeral help to be increased from 60 to 75 crowns (\$16.08 to \$20.10); for the annuity to the widow, however, is to be substituted a single payment of 500 crowns (\$134), unless the widow has reached the age of 60 and is unable to support herself, in which case she is to receive an annuity of 225 crowns (\$60.30) instead of the present 120 crowns (\$32.16); the annuity to the children of the insured is to be increased from 60 to 112.50 crowns (\$16.08 to \$30.15); finally, the additional provision is proposed that if the deceased leaves no widow or children, but had been the main support of his parents, the latter together, or the survivor of them, shall receive an annuity of 225 crowns (\$60.30) so long as they are unable to support themselves, and if the deceased leaves neither widow, children, nor parents, but brothers or sisters under the age of 15, these shall each receive an annuity of 112.50 crowns (\$30.15), with a collective maximum of 225 crowns (\$60.30).

The report of the institute was unfavorable to the proposed shortening of the period of waiting, its reasons being that this period of waiting to some extent serves as a deterrent to the workmen against being careless about accidents, that its shortening would create considerable difficulties in the determination of the liability of the employer in particular cases, that a costly and troublesome examination would have to be made even in cases which proved to result only in invalidity of short duration, and finally, that the sick relief funds were the proper institutions to provide for the time intervening between the accident and the commencement of the annuity for invalidity according to the law.

(3) Article 15 of the law provides that in case a workman who has been injured in an accident is not insured in the state institute, and there is a dispute between him and his employer with regard to the latter's liability, the parties, after reaching an agreement to that effect, or the court before which the case is tried, may apply to the State Insurance Institute for an official opinion on the question whether the occupation in which the injured person was employed came within the scope of the law, and as to what degree of invalidity had resulted from the accident. This provision, however, left the way open for a great deal of litigation which might be avoided, and as the cost of such litigation was usually prohibitive for the workman, he was in many cases led to surrender or compromise his rights. The report of the institute points out that the dispute may hinge upon other questions besides the two regarding which the institute is authorized to render opinions. The report therefore proposes the following amendment to article 15: That if the parties to a dispute in regard to the liability for indemnity agree to do so, they must refer



said dispute to the final decision of the State Insurance Institute, which decision is to be rendered without cost to either party, and which shall have the same binding force as a decision in an arbitration case in accordance with the law regarding arbitration. Furthermore, either of the parties shall have the right to ask for the decision of the state institute, in which case the latter must call upon the other party to present its side of the case, after which a decision shall be rendered; and finally the amendment proposes that an agreement made by the parties in regard to the indemnity shall not be valid unless the State Insurance Institute has rendered a decision in regard to the degree of invalidity in which the accident has resulted.

(4) Greater security for the payment of the annuity by the employer in cases where insurance has not been taken out is sought to be provided by amending article 18 of the law so that the guarantee requirements of that article shall at once become applicable if the employer does not reside in Sweden, and by the establishment of a special fund to guarantee the payment of the annuities, said fund to be constituted from the fines which are imposed for violations of the law.

(5) Article 24 of the law gives to individual workmen the right to insure themselves in the state institute, but does not extend that right to the employers. Since, however, many of the smaller employers are hardly to be distinguished from their employees in regard to economic position, the report proposes that the right shall be granted also to such employers to insure themselves in the state institute against accidents that may befall them in the exercise of their occupations.

(6) In addition to several other minor propositions for amendments of the law of 1901 and of the Commercial Code, the report of the institute also proposes the establishment of a "Workmen's insurance council." Such a council had already been proposed by the first workmen's insurance committee in its report of July 28, 1888, in which report was also proposed the establishment of a State Insurance Institute. According to that proposition the functions of the council were to be the observation of the operations and activity of the State Insurance Institute, and of the execution of the laws regarding workmen's insurance, the making of suggestions for the improvement and development of the system of workmen's insurance, and the rendering of opinions and advice on questions submitted to it. The provision for the establishment of such a council was, however, omitted from the bill presented in 1890. A new proposition to this end was laid before the Parliament in 1902, but was not adopted. The present report of the institute again recommends the establishment of a workmen's insurance council, to consist of ten members, four employers, four workmen, one factory inspector, and one mining inspector, all to be appointed by the King. The council should

be the organ for the opinions of the classes which its members represented, it should gather information and arrive at a clear insight in regard to the best method of developing the system of public accident insurance, so as to be in a position to give advice in the matter of new legislation or the amendment of existing laws. It should also collaborate in an advisory capacity with the State Insurance Institute, giving information in regard to the conditions obtaining among the insured and insurable working classes, which would aid the institute in arriving at truer bases for the fixing of premiums and risk classes. Other advice of similar import should also be furnished by the council to the institute when called for. It was proposed that the expenses of the council should be met by an appropriation of about 1,000 crowns (\$268) annually from the interest of the workmen's insurance fund.

#### STATISTICS OF ACCIDENTS.

By a royal mandate of November 17, 1905, the Royal Bureau of Commerce (*Kommerskollegium*) was assigned the duty of investigating and publishing statistical data regarding industrial accidents in Sweden. The first report prepared in accordance with this mandate was published in September, 1908, and covers the year 1906. Although general accident statistics had been compiled in Sweden before this date, all previous publications were defective and incomplete and could not satisfactorily fulfill their functions of furnishing exact data for estimating the risk of accidents. The first statistics of accidents were compiled by the workmen's insurance committee in 1885. It covered the year ending August 31, 1885, and gave information concerning 5,869 accidents, based on data secured from employers, municipal police records, etc. Its object was to determine the frequency of accidents within the various trades, in connection with the committee's projected law regarding accident insurance. With the same object in view, to provide data for the projected employers' liability law, the Bureau of Commerce in 1898 gathered statistics of 8,506 accidents occurring during 1897. In both of these cases, however, the data were defective and incomplete owing to the lack of a regular system of reporting accidents.

On October 1, 1894, the Bureau of Commerce, in conjunction with the Central Bureau of Statistics, had submitted to the Government a proposal for the establishment of a thorough system of collecting and elaborating Swedish accident statistics, but no efficient action was taken in the matter until ten years later. Article 12 of the law of July 5, 1901, provides that if an accident happens with such results that the indemnity required by article 4 of the same law becomes payable, the police authorities must be notified, and the latter must in turn forward a report on the case in due form to the royal authori-

ties. This provision, however, excludes from the obligation of notification all accidents occurring in occupations not coming within the scope of the law, as well as all accidents in which the injury results in less than sixty days' illness. Accordingly, the Bureau of Commerce, in its report to the Government of December 30, 1904, recommended the extension of the obligation to report accidents to all persons engaged in any industry as well as to accidents resulting in less than sixty days' illness, and furthermore proposed a new form for these reports. In accordance with this suggestion the Government sent in a bill to the Parliament, and on November 17, 1905, the "Law regarding notification of industrial accidents" was promulgated. The provisions of this law are as follows:

ARTICLE 1. If a workman engaged in any of the occupations mentioned in the law of May 10, 1889, regarding protection against industrial danger or the supplement to that law of December 13, 1895, or in the law of July 5, 1901, regarding indemnity for accidents, meets with an accident which may result in death, permanent injury, or material reduction in the capacity for work, if said reduction continues for more than three days after the accident, the employer shall immediately send written notification thereof to the local police authorities on a special form to be determined by the Bureau of Commerce. Said notification shall state—

The employer's name;

The nature and locality of the work;

The time of the accident;

The name of the injured person, his age, civil station, residence, the special kind of work at which he was employed, and other conditions of his work;

The particular task at which the injured person was engaged at the time of the accident, and the cause and nature of the latter;

The nature of the injury and its immediate consequences;

Whether a physician was called;

What precautions have been taken to prevent similar accidents in the future;

The accident insurance of the injured person;

Other circumstances which the employer thinks may throw light on the accident.

If a physician has attended at the accident, a medical certificate must accompany the notification.

ARTS. 2 and 3. The police must see to it that the notification is made out in the required form, and must immediately give a copy of the same to the factory inspector of the district, who, after entering it on his records, must forward it to the Bureau of Commerce.

ART. 4. An additional report is to be sent in if the injured person recovers completely from the effects of the accident, and also if said effects last for more than sixty days, or if death results. In the latter two cases a medical certificate must be furnished stating the nature of the effects remaining from the injury, or, in case of death, the cause of death.

ART. 6. A penalty of 5 to 200 crowns (\$1.34 to \$53.60) is provided for failure to comply with the provisions of this law.

Unfortunately, even the above law does not cover all trades and industries, since the laws of 1889 and 1901 exclude several occupations in which the frequency of accident is very considerable. To this extent, therefore, even the latest statistics are necessarily defective.

During the year 1906, 14,950 industrial accidents were reported in Sweden, involving 15,041 injured persons. Those cases in which complete data were obtained were distributed among the various industries as follows:

## INDUSTRIAL ACCIDENTS REPORTED AND ACCIDENT RATES, BY INDUSTRIES AND SEX, 1906.

[Source: Olycksfall i Arbete, 1906. Utgifven afdelning för Arbetsstatistik. Not including 3,381 accidents for which complete data were not reported.]

Industry.	Males.			Females.			Total.		
	Num-ber of "year work-ers."	Accidents.		Num-ber of "year work-ers."	Accidents.		Num-ber of "year work-ers."	Accidents.	
		Num-ber.	Rate per 1,000 "year work-ers."		Num-ber.	Rate per 1,000 "year work-ers."		Num-ber.	Rate per 1,000 "year work-ers."
Mining.....	12,681	1,200	94.6	196	.....	.....	12,877	1,200	93.2
Quarrying and similar indus-tries.....	10,787	1,139	105.6	21	.....	.....	10,808	1,139	105.4
Food products, manufacture.	20,076	705	35.1	7,837	130	16.6	27,913	835	29.9
Textiles.....	11,585	132	11.4	18,906	86	4.5	30,491	218	7.1
Clothing.....	4,969	47	9.4	10,479	20	1.9	15,468	67	4.3
Leather, hair, and rubber. ..	3,000	54	18.0	903	1	1.1	3,903	55	14.1
Woodenware.....	49,654	2,350	47.3	1,061	13	12.3	50,715	2,363	46.6
Wood pulp and paper.....	15,777	707	44.8	3,403	25	7.3	19,180	732	38.2
Printing.....	6,952	70	10.1	1,412	11	7.8	8,364	81	9.7
Metallurgy.....	16,500	1,317	79.8	.....	.....	.....	16,500	1,317	79.8
Metals.....	23,561	1,007	42.7	2,033	15	7.4	25,594	1,022	39.9
Machine shops and shipyards	29,645	1,547	52.2	591	8	13.5	30,236	1,555	51.4
Minerals.....	18,846	504	26.7	1,414	5	3.5	20,260	509	25.1
Chemicals.....	6,740	262	38.9	4,117	96	23.3	10,857	358	33.0
Gas, electric light, and water power.....	2,637	117	44.4	5	1	200.0	2,642	118	44.7
Total.....	233,430	11,158	47.8	52,378	411	7.8	285,808	11,569	40.5

The number of "year workers" is obtained, as previously mentioned, by dividing the total number of days' work performed by 300, the number of working days in the year.

Of the 15,041 persons injured, the number and per cent of each sex injured is shown in the following table, by age groups and by conjugal condition:

## NUMBER AND PER CENT OF PERSONS OF EACH SEX INJURED IN INDUSTRIAL ACCIDENTS IN 1906, BY AGE GROUPS AND CONJUGAL CONDITION.

[Source: Olycksfall i Arbete, 1906. Utgifven afdelning för Arbetsstatistik.]

Age group and conjugal condition.	Persons injured.				
	Males.		Females.		Total.
	Number.	Per cent.	Number.	Per cent.	
Age group:					
Under 18 years.....	1,547	93.5	108	6.5	1,655
18 years and over.....	13,055	97.6	319	2.4	13,374
Not reported.....	12	100.0	.....	.....	12
Total.....	14,614	97.2	427	2.8	15,041
Conjugal condition:					
Single.....	6,588	95.1	339	4.9	6,927
Married, wife or husband living.....	7,670	99.2	60	.8	7,730
Widowed or separated.....	332	92.5	27	7.5	359
Not reported.....	24	96.0	1	4.0	25
Total.....	14,614	97.2	427	2.8	15,041

With regard to the causes of accidents, the following table shows the number of accidents and the percentage of the whole number of accidents occurring within each of the four main branches of industry that was due to the causes mentioned:

NUMBER AND PER CENT OF PERSONS INJURED IN INDUSTRIAL ACCIDENTS IN 1906, BY CAUSES OF INJURY AND INDUSTRY GROUPS.

[Source: Olycksfall i Arbete, 1906. Utgifven afdelning för Arbetsstatistik.]

Causation.	Persons injured while engaged in—								Total.	
	Production of raw material.		Manufacturing industries.		Building trades.		Commerce and transportation.			
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
Steam engines and boilers.....	2	0.1	47	0.5	.....	.....	43	2.9	92	0.6
Motors.....	5	.2	41	.4	6	0.6	6	.4	58	.4
Transmissions.....	9	.3	159	1.6	2	.2	.....	.....	170	1.1
Hoisting apparatus.....	123	4.5	302	3.1	78	7.5	100	6.7	603	4.0
Industrial machinery.....	50	1.8	2,756	28.2	10	.9	11	.7	2,827	18.8
Hand tools.....	852	30.9	1,161	11.9	180	17.4	65	4.4	2,258	15.0
Electrical conduits.....	.....	.....	13	.1	7	.7	5	.3	25	.2
Explosives.....	47	1.7	13	.1	26	2.5	.....	.....	86	.6
Inflammables.....	18	.6	617	6.3	23	2.7	19	1.3	682	4.5
Collapse of buildings and apparatus.....	341	12.4	513	5.3	141	13.6	63	4.2	1,058	7.0
Falling.....	131	4.8	849	8.7	173	16.7	114	7.7	1,267	8.4
Drowning.....	6	.2	5	.1	6	.6	6	.4	23	.2
Transportation other than by rail.....	420	15.3	1,634	16.7	176	17.0	134	9.0	2,364	15.7
Loading and unloading.....	364	13.2	538	5.5	64	6.2	313	21.1	1,279	8.5
Driving teams.....	43	1.6	117	1.2	27	2.6	21	1.4	208	1.4
Railroad traffic.....	15	.5	94	1.0	21	2.0	511	34.4	641	4.3
Street-railway traffic.....	.....	.....	2	(a)	.....	.....	30	2.0	32	.2
Railroad transportation.....	248	9.0	395	4.0	27	2.6	6	.4	676	4.5
Handling of animals.....	2	.1	27	.3	1	.1	1	.1	31	.2
Other causes.....	76	2.8	493	5.0	63	6.1	39	2.6	661	4.4
Total.....	2,752	100.0	9,766	100.0	1,036	100.0	1,487	100.0	15,041	100.0

a Less than three-hundredths of 1 per cent.

The number of persons injured whose injuries were due to the principal causative agencies was as follows:

NUMBER OF PERSONS INJURED IN INDUSTRIAL ACCIDENTS IN 1906, BY INDUSTRY GROUPS AND PRINCIPAL CAUSES.

[Source: Olycksfall i Arbete, 1906. Utgifven afdelning för Arbetsstatistik.]

Industry group.	Persons injured by—				Total.
	Hand tools.	Machinery of all kinds.	Transportation.	Other causes.	
Production of raw material.....	852	189	784	927	2,752
Manufacturing industries.....	1,161	3,318	2,172	3,115	9,766
Building trades, etc.....	180	103	240	513	1,036
Commerce and transportation.....	65	165	447	810	1,487
Total.....	2,258	3,775	3,643	5,265	15,041

The results of the injuries caused by industrial accidents in 1906 are shown in the following series of tables:

**DURATION OF TEMPORARY DISABILITY CAUSED BY INDUSTRIAL ACCIDENTS IN 1906, BY INDUSTRIES**

[Source: Olycksfall i Arbete, 1906. Utgifven afdelning för Arbetsstatistik.]

Industry.	Injuries causing temporary disability lasting—						Total
	5 to 15 days.	16 to 30 days.	31 to 60 days.	61 to 90 days.	91 to 120 days.	Over 120 days.	
Forestry.....	64	111	98	22	14	18	327
Mining.....	576	356	143	35	10	14	1,124
Quarrying and similar industries.....	440	370	180	31	6	17	1,044
Manufacture of food products.....	383	227	114	21	13	13	781
Textiles.....	71	49	49	5	1	6	181
Clothing.....	15	17	16	5	.....	.....	53
Leather, hair, and rubber.....	21	12	7	1	1	.....	42
Woodenware.....	768	676	408	79	23	24	1,988
Wood pulp and paper.....	227	241	129	20	10	14	641
Printing.....	17	31	17	3	.....	1	69
Metallurgy.....	302	398	187	34	4	9	1,234
Metals.....	409	339	144	24	3	3	925
Machine shops and shipyards.....	1,027	631	293	49	11	14	2,025
Minerals.....	186	156	93	20	4	7	466
Chemico-technical.....	171	114	38	3	2	4	322
Building trades.....	260	288	140	43	13	22	714
Lighting and water power.....	88	40	21	3	2	1	155
Commerce and warehouses.....	16	25	18	5	1	2	67
Land transportation.....	672	369	222	46	19	19	1,287
Sea transportation.....	5	3	1	1	1	.....	11
Total.....	6,018	4,322	2,318	450	148	188	13,444

**PER CENT OF REDUCTION OF WORKING ABILITY CAUSED BY INDUSTRIAL ACCIDENTS IN 1906, BY INDUSTRIES.**

[Source: Olycksfall i Arbete, 1906. Utgifven afdelning för Arbetsstatistik.]

Industry.	Injuries causing permanent reduction of working ability of—					Total.
	Under 10 per cent.	10 and under 25 per cent.	25 and under 50 per cent.	50 and under 75 per cent.	Over 75 per cent.	
Forestry.....	10	26	2	2	.....	40
Mining.....	11	21	8	2	3	45
Quarrying and similar industries.....	20	70	3	2	1	96
Manufacture of food products.....	24	15	4	1	.....	44
Textiles.....	22	9	1	1	.....	33
Clothing.....	8	3	2	.....	.....	13
Leather, hair, and rubber.....	6	1	2	1	.....	10
Woodenware.....	115	146	57	7	.....	325
Wood pulp and paper.....	22	36	12	3	1	74
Printing.....	5	2	2	2	.....	11
Metallurgy.....	18	36	7	3	1	65
Metals.....	57	37	9	.....	.....	103
Machine shops and shipyards.....	72	76	9	2	.....	159
Minerals.....	15	7	6	1	1	30
Chemico-technical.....	11	6	2	.....	.....	19
Building trades.....	22	51	13	4	4	94
Lighting and water power.....	5	1	2	2	.....	10
Commerce and warehouses.....	3	1	2	.....	.....	6
Land transportation.....	15	20	3	8	4	50
Sea transportation.....	1	.....	.....	.....	.....	1
Total.....	462	564	146	41	15	1,228



**NUMBER AND PER CENT OF INDUSTRIAL ACCIDENTS IN 1906 RESULTING IN TEMPORARY DISABILITY, PERMANENT DISABILITY, AND DEATH, BY INDUSTRIES.**

[Source: Olycksfall i Arbete, 1906. Utgifven afdelning för Arbetsstatistik.]

Industry.	Injuries causing—								Total.
	Temporary disability.		Permanent disability.		Death.		Result unknown.		
	Num-ber.	Per cent.	Num-ber.	Per cent.	Num-ber.	Per cent.	Num-ber.	Per cent.	
Forestry.....	327	84.5	40	10.3	12	3.1	8	2.1	387
Mining.....	1,124	93.7	45	3.7	18	1.5	13	1.1	1,200
Quarrying and similar industries.....	1,044	89.6	96	8.2	16	1.4	9	.8	1,165
Manufacture of food products.....	781	92.2	44	5.2	14	1.7	8	.9	847
Textiles.....	181	83.0	33	15.1	3	1.4	1	.5	218
Clothing.....	53	79.1	13	19.4	.....	.....	1	1.5	67
Leather, hair, and rubber.....	42	76.4	10	18.2	1	1.8	2	3.6	55
Woodenware.....	1,988	84.1	325	13.8	31	1.3	19	.8	2,363
Wood pulp and paper.....	641	87.6	74	10.1	7	.9	10	1.4	732
Printing.....	69	85.2	11	13.6	.....	.....	1	1.2	81
Metallurgy.....	1,234	93.7	65	4.9	14	1.1	4	.3	1,317
Metals.....	903	88.3	103	10.1	10	1.0	6	.6	1,022
Machine shops and shipyards....	2,025	92.2	159	7.2	8	.4	5	.2	2,197
Minerals.....	466	91.5	30	5.9	10	2.0	3	.6	509
Chemico-technical.....	332	92.7	19	5.3	7	2.0	.....	.....	358
Building trades.....	714	82.4	94	10.9	43	5.0	15	1.7	866
Lighting and water power.....	155	91.2	10	5.9	5	2.9	.....	.....	170
Commerce and warehouses.....	67	84.8	6	7.6	6	7.6	.....	.....	79
Land transportation.....	1,287	92.2	50	3.6	44	3.1	15	1.1	1,396
Sea transportation.....	11	91.7	1	8.3	.....	.....	.....	.....	12
Total.....	13,444	89.4	1,228	8.2	249	1.6	120	.8	15,041

With regard to the nature of the injuries received, the following table shows the number and per cent of cases in which various parts of the body were injured within each of the principal specified classes of industries:

**NUMBER AND PER CENT OF PERSONS INJURED IN INDUSTRIAL ACCIDENTS IN 1906, BY NATURE OF INJURIES AND INDUSTRY GROUP.**

[Source: Olycksfall i Arbete, 1906. Utgifven afdelning för Arbetsstatistik.]

Parts injured.	Persons injured while engaged in—								Total.	
	Production of raw material.		Manufacturing industries.		Building trades.		Commerce and transportation.			
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
Head.....	112	4.1	376	3.9	81	7.8	113	7.6	682	4.5
Eyes.....	405	14.7	467	4.8	70	6.8	25	1.7	967	6.4
Arms or hands.....	378	13.7	1,555	15.9	126	12.2	201	13.5	2,260	15.0
Fingers.....	680	24.7	3,445	35.3	170	16.4	308	20.7	4,606	30.6
Legs, feet, or toes.....	734	26.7	2,302	23.6	291	28.1	470	31.6	3,797	25.3
Other parts.....	275	10.0	926	9.5	134	12.9	197	13.2	1,532	10.2
More than one part, or whole body.....	131	4.8	561	5.7	131	12.6	141	9.5	964	6.4
Other kinds.....	37	1.3	131	1.3	33	3.2	32	2.2	233	1.6
Total.....	2,752	100.0	9,766	100.0	1,036	100.0	1,487	100.0	15,041	100.0

The results of the injuries appear below separately for males and females:

RESULTS OF INJURIES CAUSED BY INDUSTRIAL ACCIDENTS IN 1906, BY SEX OF PERSONS INJURED.

[Source: Olycksfall i Arbete, 1906. Utgifven afdelning för Arbetsstatistik.]

Result of injury.	Persons injured.					
	Males.		Females.		Total.	
	Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
<b>Temporary disability lasting—</b>						
5 to 15 days.....	5,832	39.9	186	43.6	6,018	40.0
16 to 30 days.....	4,216	28.8	106	24.8	4,322	28.7
31 to 60 days.....	2,259	15.5	59	13.8	2,318	15.4
61 to 90 days.....	441	3.0	9	2.1	450	3.0
91 to 120 days.....	145	1.0	3	.7	148	1.0
Over 120 days.....	181	1.2	7	1.6	188	1.2
<b>Total.....</b>	<b>13,074</b>	<b>89.4</b>	<b>370</b>	<b>86.6</b>	<b>13,444</b>	<b>89.3</b>
<b>Permanent disability:</b>						
Under 10 per cent.....	433	3.0	29	6.8	462	3.1
10 to 25 per cent.....	551	3.8	13	3.1	564	3.7
25 to 50 per cent.....	139	.9	7	1.6	146	1.0
50 to 75 per cent.....	40	.3	1	.2	41	.3
Over 75 per cent.....	15	.1	.....	.....	15	.1
<b>Total.....</b>	<b>1,178</b>	<b>8.1</b>	<b>50</b>	<b>11.7</b>	<b>1,228</b>	<b>8.2</b>
<b>Death.....</b>	<b>244</b>	<b>1.7</b>	<b>5</b>	<b>1.2</b>	<b>249</b>	<b>1.7</b>
<b>Unknown.....</b>	<b>118</b>	<b>.8</b>	<b>2</b>	<b>.5</b>	<b>120</b>	<b>.8</b>
<b>Grand total.....</b>	<b>14,614</b>	<b>100.0</b>	<b>427</b>	<b>100.0</b>	<b>15,041</b>	<b>100.0</b>

The highest frequency of permanent injury, as compared with the number of accidents, appeared in the clothing, leather and rubber, textile, and woodenware manufactures, the cases of permanent injury being, respectively, 19.4, 18.2, 15.1, and 13.8 per cent of the total number of accidents occurring in those industries.

As compared with the number of workmen employed, the highest frequency of permanent injury occurred in the following: Quarrying industry, 8.6 cases per 1,000 year workers; woodenware industry, 6.4 cases; machine shops, 4.5 cases; and metal industries, 4 cases per 1,000 year workers.

The highest frequency of death appeared in mining, with 14 cases per 10,000 year workers; this was followed by quarrying and metallurgical trades, each with 8 deaths per 10,000 year workers.

The 13,444 accidents which resulted in temporary incapacity for work caused a total loss of 334,497 days' work, or an average for each accident of 24.9 days. The mean percentage of reduction in working capacity among the 1,228 cases of permanent invalidity was 17.9 per cent, or, if the 462 cases in which the percentage was less than 10 are deducted, the mean percentage of the remaining cases becomes 27 per cent.

An examination of the conditions in regard to accident insurance obtaining among those who were injured will serve to show to what extent the employers have availed themselves of the right to insure their liability, whether, and in how far they have gone beyond the requirements of their legal liability, for instance, by insuring their employees so as to provide sick relief before the sixtieth day and the payment of the insurance claim in case of accidents happening outside of working hours, and, finally, it will show to what extent they have placed their insurance in the State Insurance Institute and in private companies.

The statistics in regard to insurance are somewhat defective for the reason that the report blank has in a number of cases been interpreted to refer only to insurance taken out and paid for by the employers, and thus a number of cases in which the injured workman had taken individual insurance on his own account have been left out of consideration. The following figures, therefore, have to be accepted with the above reservation.

Of the 15,041 persons reported injured in 1906, 2,721, or 18.1 per cent, were insured only according to article 4 of the law of 1901; 2,884, or 19.2 per cent, carried additional insurance for sick relief before the sixtieth day after the injury, for which the law of 1901 did not provide; and 3,836, or 25.5 per cent, were insured against accidents occurring outside of working hours, making a total of 9,441, or 62.8 per cent of the total number injured, who were insured according to the law. Of this number 1,800, or 12 per cent of the total injured, were insured in the State Insurance Institute; 4,365, or 29 per cent, in private accident insurance companies; and 3,276, or 21.8 per cent, in employers' societies. Besides the above there were 1,046, or 6.9 per cent of those injured, who were insured according to other bases, and 4,554, or 30.3 per cent, who were not insured at all.

Of the 5,600 cases of "not insured, or insured on other bases than provided by the law," however, there were a number of government employees. If these are deducted, it is probably correct to say that about 70 per cent of the persons injured in private, corporate, and communal service were insured in accordance with the law of 1901. It is also probable that this is not far from the percentage of the total working population of Sweden that is insured in accordance with the law. The reports of the State Insurance Institute and of the Insurance Department for 1906 show that the following "legal insurances" were in force in the various regular companies at the end of that year:

## NUMBER OF CONCERNS AND OF WORKMEN INSURED ACCORDING TO THE LAW AT THE END OF 1906, BY INSURANCE INSTITUTIONS.

[Source: Olycksfall i Arbete, 1906. Utgifven afdelning för Arbetsstatistik.]

Insurance institution.	Number of concerns.	Number of workmen insured.	Insurance institution.	Number of concerns.	Number of workmen insured.
State Insurance Institute.....	2,614	54,297	Private Insurance companies—Concluded.		
Private Insurance companies:			Stockholms Byggnads- stares olycksfall försäkringskassa.....	131	1,450
Fylgia.....	1,573	24,923	Nordisk Ulykkesförsäkrings Aktieselskab.....	174	(a)
Skandinavien.....	1,516	27,287	Wintherthur.....	432	8,882
Norden.....	849	17,684	Total.....	8,549	b 172,550
Heimdall.....	98	780	Grand total.....	11,163	b 226,847
Hansa.....	649	9,129			
Bore.....	1,720	30,029			
Dalarnes försäkringsförening.....	457	37,938			
Gothia.....	923	12,936			
Eskilstuna Ömsesidiga olycksfall försäkringsförening.....	27	1,503			

a Not reported.

b Not including one company, not reported.

Considering that the above table excludes a number of societies formed by employers of various trades for the legal insurance of their liability under the law, and leaving government employees out of account, we may estimate roughly that two-thirds of all the workmen employed in private, corporate, and communal service in Sweden in the year 1906 were insured in accordance with the provisions of the law of 1901.

The year 1906 is the latest for which general accident statistics for Sweden have been published, as outlined above, but the report of the State Insurance Institute, giving the special statistics for that institution for the year 1908, is at hand, and it would therefore be well to give an abstract of the latter.

The collective legal insurances in force in the institute at the end of 1908 numbered 2,705 with a provisionally ascertained number of insured workmen amounting to 61,890. The privilege accorded to individual workmen to insure themselves has been availed of only to a slight extent, the number of individually insured persons being only 122.

During the year there were purchased from the institute 196 annuities for workmen who had been injured in accidents, but who were not insured in the institute, and 20 annuities for widows and orphans of workmen killed in accidents. At the end of the year there were 1,183 workmen, 195 widows, and 313 orphans receiving annuities thus purchased from the institute.

The institute received notification during the year of 4,181 cases of accidents befalling workmen insured therein, and the legal indemnity was granted in 3,877 of these, most of the remainder having occurred so late in the year that no decision had, at the end of the year, been reached in their cases.

As regards the results of the accidents, it was found that 3,642 cases, or 93.94 per cent, resulted in temporary injury; 202, or 5.21 per cent, in permanent invalidity; and 33, or 0.85 per cent, in death.

Sick relief was paid in 3,795 of the above cases, which in 41 cases began on the sixty-first day after the accident and in the other 3,754 cases before the sixty-first day, the great majority of the injured persons having had additional insurance in accordance with the law of 1904. In 173 cases the sick relief was replaced by a permanent annuity, and in 29 other cases an annuity only was granted, so that the total number of annuities granted amounted to 202, distributed as follows with regard to the degree of invalidity involved: In 32 cases the degree of invalidity was 10 per cent; in 103 cases, from 11 to 20 per cent; in 58 cases, from 21 to 50 per cent; and in 9 cases, from 51 to 100 per cent.

The number of annuities in force at the end of the year and payable to injured workmen who had been insured in the institute was 589, distributed according to amount as follows: Eighty-one of these annuities were for under 30 crowns (\$8.04); 267 were for 30 crowns (\$8.04) and under 60 crowns (\$16.08); 200 were for 60 crowns (\$16.08) and under 150 crowns (\$40.20); 38 were for 150 crowns (\$40.20) and under 300 crowns (\$80.40); and 3 for 300 crowns (\$80.40).

Of the 33 cases of death, 13 gave occasion only for funeral help, while in the other 20 cases annuities were granted to the survivors, who included 19 widows and 46 orphans. At the end of the year there were 207 such annuities in force in the institute.

The total number of annuities in force at the end of 1908 was 2,487, distributed as follows: Purchased from the institute for injured workmen not insured, 1,183; purchased for widows and orphans of workmen killed and not insured, 508; granted by the institute to injured workmen insured therein, 589; granted to widows and orphans of workmen killed, insured in the institute, 207.

Opinions in accordance with article 15 of the law in regard to the degree of invalidity were rendered by the institute in 1908 in 392 cases, of which 320 were given on the request of the parties themselves upon agreement to that effect, 20 on the request of the courts, and 52 on the request of other government authorities. In addition to these, 73 opinions in regard to persons injured on government railways were given on the request of the railway commission.

#### **SICKNESS INSURANCE.**

As in the case of invalidity and old age, there is no state insurance against sickness in Sweden, the latter being provided for chiefly by the numerous sick-relief funds founded on private initiative. Although most of these funds have been founded within the last three or four decades, they nevertheless owe their origin, in Sweden

as in other European countries, to the old guild institutions of the Middle Ages. One of the objects of these institutions was the rendering of assistance to their members in case of sickness, and by the guild regulations of 1669 such duties were even made obligatory upon the guilds. In 1846 the guilds were abolished, and all obligations of the above nature were repealed by the law of June 18, 1864, regarding freedom of trade and occupation. By article 1 of that law every Swedish citizen was free to ply any trade without going through the formalities required under the guild system. By article 13 the formation of unions or societies of tradesmen was left entirely to the option of the latter, and article 15 granted, with certain restrictions, freedom of contract between employers and employees.

Provision for relief in case of sickness was thereby left entirely to voluntary efforts and private initiative, but the function was soon taken up by the trade unions and other mutual aid societies formed after the abolition of the guilds. The history of the movement is in general a counterpart of what has taken place in other countries similarly situated. The concentration of the population and the various social and religious movements that have sprung up during the past half century gave rise to a number of "general funds" for sick and burial relief, "closed funds"—i. e. with limited membership—"hundred-men societies," etc., many of these being organized after the pattern of the guilds. Other funds, "trade funds," were established within the trade unions, while the modern concentration of industry in large factories made possible the so-called "factory funds," established by the employers for particular factories. In the latter funds membership is generally obligatory on all persons employed in the respective factories.

The workmen's insurance committee of 1884 took up the subject of sick funds in detail, and prepared an elaborate report, with statistics of the then existing funds. The funds investigated were distributed as follows:

NUMBER AND MEMBERSHIP OF SICK FUNDS IN SWEDEN IN 1884, BY CLASSES OF FUNDS.

Class of funds.	Number of funds.	Members-hip.
For persons in the civil service.....	45	5,523
Factory funds.....	294	40,723
Trade funds.....	82	5,062
Funds with limited membership.....	153	15,421
General funds.....	372	44,042
Funds with other functions than sick or burial help.....	103	27,955
Total.....	1,049	138,726

Of these funds 870, with 114,270 members, granted both sick and burial relief; 86, with 6,666 members, provided relief for sickness only, while 93, with 17,790 members, gave only burial help.



The committee in its report expressed the opinion that a reform in this system of sick relief by some form of intervention on the part of the State was highly desirable, if not imperative, as the conditions were far from satisfactory. It found that only 4.3 per cent of the male and 1 per cent of the female population of the country enjoyed any claims upon sick relief, and the security of those who did left much to be improved upon. Many of the funds were very small; 291 had less than 50 and 664 had less than 100 members, a fact which would expose them to insolvency in case of unfavorable conditions, while the average age and sick risk in small societies was likely to increase. Moreover, the regulations regarding dues were generally not on scientific bases, the dues being often too small and not equitably apportioned among the members.

The committee did not, however, recommend state insurance against sickness, but submitted to the Government a project of law regarding voluntary registration of existing sick funds. In its original form the bill made a distinction between registered and recognized sick funds. For the latter class a number of additional restrictions were proposed, to which those merely registered were not to be subject, the principal of which were the following: That the dues were to be calculated on the scientific bases of insurance technique, and if they were fixed, a premium reserve had to be formed; that an extra reserve should be set aside from the surplus; that the minimum number of members should be 150; that certain conditions for membership and for the expulsion of members should be adopted; that the maximum burial help should be 200 crowns (\$53.60), and the minimum sick relief 0.50 crown (13.4 cents) per day; finally the recognized funds were to receive contributions from the State toward expenses of management of 150 crowns (\$40.20) per annum and an additional 1.50 crowns (40.2 cents) yearly for each member, provided the maximum sick relief were limited to 2.50 crowns (67 cents) per day.

The bill was submitted to various high authorities for examination, and these found so many objections against the provisions regarding the recognized funds that the ministry was obliged to recast the bill, eliminating the distinction between registered and recognized funds. Thus amended the bill was presented to the Parliament on January 31, 1891, and, with a few minor modifications, it was passed as "The law regarding sick funds" on October 30, 1891.

The following are the principal provisions of the law:

#### **PROVISIONS OF THE LAW REGARDING SICK FUNDS OF OCTOBER 30, 1891.**

Any society for mutual help in case of sickness (sick fund) which consists of at least 25 members, and which adopts by-laws and organizes its administration in accordance with this law, may become registered in the manner described below.

Application for registration shall be made to the royal authorities in rural districts, to the governor in Stockholm, and to the mayor in other cities, and shall be accompanied by two certified copies of the by-laws and of the minutes of the meeting at which the latter were adopted and the directors elected.

If the registration authorities find that the by-laws do not conflict with the requirements of the law, the fund shall be registered.

The by-laws of a registered fund shall indicate its name, the objects of its activity, the conditions for entrance of members, the dues payable, the conditions for the expulsion of members, the nature and amount of the relief granted, the length of time and the conditions of its payment, how the business of the fund is to be conducted, the responsibilities of its management and the manner of its election, how the funds not used for current expenditures are to be invested, how the securities are to be kept, how amendments of the by-laws are to be made, how and under what circumstances the society may be dissolved, and how the assets which at such time may exist after all liabilities have been liquidated are to be disposed of.

If amendments are made to the by-laws, notification thereof must at once be made to the registration authorities, and such amendments shall not be valid until the latter have approved them.

As long as a registered sick fund remains in activity its assets must not be used for any other purpose than sick relief, funeral help (if the by-laws provide for the latter), administration expenses, and the constitution of the necessary reserves.

The accounts of a registered sick fund and the conduct of its management shall annually be examined by at least two auditors chosen at the general meeting of the members.

The directors must, once a year and at such time as the registration authorities may direct, send in to the latter a statement in accordance with a prescribed form concerning the activity of the society during the preceding year, as well as a copy of the latest report of audit and a list of the names and addresses of its directors.

The authorities may also, if they deem it necessary, make an investigation at the society's office of the conduct of its management.

If the provisions of the law are not complied with by a registered fund, the registration authorities must declare that the condition of registration of the fund has ceased.

The law went into force on July 1, 1892. On the same day that the law was passed, that is, on October 30, 1891, a supplementary law was passed regarding state contributions toward the expenses of management of sick funds. The conditions for such contribution were that the fund be registered by the proper authority, according to the law regarding sick funds, that during the preceding year the fund had an income amounting to at least three times the amount of

state contribution asked for, and that such state contribution shall be in proportion to the number of members who paid dues during the preceding year. The rate of the state contribution was fixed at 1 crown (26.8 cents) for each member up to and including 50, 0.50 crown (13.4 cents) for each member above 50, up to and including 250, and 0.25 crown (6.7 cents) for each additional member, with a maximum contribution of 300 crowns (\$80.40). This law regarding state contribution was superseded on May 27, 1898, by another law with more liberal provisions. According to this law the society's own income during the preceding year need only have been at least equal to the amount of contribution asked for, instead of three times as great. The rate of the contribution was also increased to 1.50 crowns (40.2 cents) for each member up to 100, 1 crown (26.8 cents) for each additional member up to 300, and 0.50 crown (13.4 cents) for each additional member, with a maximum of 1,500 crowns (\$402). This was again amended by fixing the upper limit for 0.50 crown (13.4 cents) per member at 2,600 members, and granting 0.25 crown (6.7 cents) for each member in excess of that number.

At first the existing sick funds took but little interest in the registration law, partly because of the rather small amount of the state assistance granted by the law of 1891, partly also because of a general dislike of the principle of public supervision implied by the law. Later, however, the advantage of the registration was recognized by the public in the additional security it offered, and when the state assistance was materially increased in 1898, registration became more general. The law has worked fairly well, and has undoubtedly accomplished its main object of strengthening the financial position of the sick funds. The law has therefore remained in force to the present time as originally passed, and but few propositions have been made for its amendment. Such a proposition was on March 8, 1907, submitted by the Ministry of the Interior to the supreme court for its opinion, but the opinion was unfavorable, and the proposed amendment was not presented to the Parliament. The Government, however, appointed a commission on November 29 of the same year to prepare a new bill.

#### STATISTICS OF REGISTERED SICK FUNDS.

The duty of collecting and publishing statistics of the registered sick funds was at first performed by the Swedish civil department, but was later transferred to the Royal Bureau of Commerce (*Kommerskollegium*). From the reports issued by the Bureau of Commerce has been compiled the following table showing the number of registered sick funds and the number of members at the end of each year since the law went into force:

NUMBER AND MEMBERSHIP OF REGISTERED SICK FUNDS, 1892 TO 1907.

[Source: Registrerade Sjukkasor Verksamhet, 1907. Utgifven afdelning Kommerskollegii afdelning for Arbetstatistik.]

Year.	Regis- tered sick funds.	Membership at end of year.		Year.	Regis- tered sick fund	Membership at end of year.	
		Total.	Average per fund.			Total.	Average per fund.
1892.....	221	24,735	112	1900.....	1,443	260,163	180
1893.....	344	41,243	120	1901.....	1,621	283,540	181
1894.....	477	61,578	129	1902.....	1,742	321,025	184
1895.....	572	77,573	136	1903.....	1,887	360,173	191
1896.....	680	99,434	146	1904.....	1,992	394,704	198
1897.....	880	149,196	170	1905.....	2,122	437,288	206
1898.....	1,075	184,119	171	1906.....	2,230	489,958	220
1899.....	1,272	225,133	177	1907.....	2,318	543,919	235

Part of the increase is due to the founding of new funds, the majority being, in fact, of recent date. Of the 2,318 funds registered at the end of 1907 only 18 were founded before 1851, and 1,016, or less than one-half, were in existence before 1891. The report shows, however, that during the last five years the number of funds founded annually has not increased, but rather the reverse, so that the increase in the number of registered funds shown above is to a large extent due to the fact that many funds which had previously existed unreg-istered have in recent years decided to avail themselves of the privi-lege.

The distribution of the funds in the cities and rural districts during the last seven years for which reports have been published was as follows:

NUMBER OF FUNDS AND OF MEMBERS, AND PER CENT OF TOTAL POPULATION OF SWEDEN IN REGISTERED SICK FUNDS IN CITIES AND IN RURAL DISTRICTS, 1901 TO 1907.

[Source: Registrerade Sjukkasor Verksamhet, 1901-1907. Utgifven afdelning Kommerskollegii afdelning for Arbetstatistik.]

Year.	Number of funds.			Number of members.			Per cent of total popu- lation in funds.		
	In cities.	In rural districts.	Total.	In cities.	In rural districts.	Total.	In cities.	In rural dis- tricts.	Total.
1901.....	796	823	a 1,621	151,762	108,283	b 293,540	(c)	(c)	(c)
1902.....	861	879	a 1,742	166,401	114,150	b 321,025	(c)	(c)	(c)
1903.....	937	948	a 1,887	184,274	128,506	b 360,173	15.9	3.2	6.9
1904.....	963	1,007	a 1,992	202,203	140,166	b 394,704	17.0	3.4	7.5
1905.....	1,061	1,059	a 2,122	220,944	159,068	b 437,288	18.2	3.9	8.3
1906.....	1,125	1,103	a 2,230	250,440	177,457	b 489,958	19.9	4.4	9.2
1907.....	1,176	1,140	a 2,318	273,789	205,275	b 543,919	21.1	5.0	10.1

a Including 2 funds having members both in cities and in rural districts.  
b Including membership of 2 funds having members both in cities and in rural districts not separately reported.  
c Not reported.

The most noticeable feature of the above table is the large percentage of the population of the cities that enjoy membership in sick funds as compared with the percentage of population in rural districts. The relative increase in percentage of membership is also greater in the cities than in the country.

With regard to the percentage of the total population, however, it should be noted that many persons are members of more than one fund and that the percentage of 10.1 given above is, therefore, too high. The true percentage of the population insured in registered sick funds in each of the last seven years was stated in an official report to be as follows:

PER CENT OF TOTAL POPULATION AND OF ADULT POPULATION OF SWEDEN IN REGISTERED SICK FUNDS, 1901 TO 1907.

[Source: Registrerade Sjukförsäkringar Verksamhet, 1907. Utgifven afdelning Kommerskollegii afdelning för Arbetsstatistik.]

Year.	Per cent of total population in registered sick funds.	Per cent of adult population in registered sick funds.	Year.	Per cent of total population in registered sick funds.	Per cent of adult population in registered sick funds.
1901.....	4.8	7.1	1905.....	7.1	10.4
1902.....	5.3	7.8	1906.....	7.8	11.5
1903.....	5.9	8.7	1907.....	8.5	12.5
1904.....	6.4	9.4			

As regards the membership of the funds, the report shows that, in 1907, 41 of the funds had less than 25 members each, 1,084 had less than 100, 47 had more than 1,000, while 9 had more than 5,000 members each. As to the distribution of the membership according to sex, 908 of the funds were for males only, 1,345 admitted both males and females, 51 were for females only, and 14 did not report as to the sex of members. In the 2,304 funds which reported as to sex, the total number of male members was 415,326 and of female members 128,593. With regard to the nature of the benefits, 2,152 of the funds, with a membership of 508,295, granted both sick and funeral help, while 164, with 35,194 members, were established purely for sick relief.

The financial condition of the funds can here only be indicated by giving, for a series of years, the collective financial statement and balance sheet for all the registered funds at the end of each year. The table following gives the income and disbursements of these funds for the years 1896 to 1907:

## INCOME AND DISBURSEMENTS OF ALL REGISTERED SICK FUNDS, 1896 TO 1907.

[Source: Registrerade Sjukförsäkrings Verksamhet, 1896-1907, Utgifven afdelning Kommerkkollegli afdelning för Arbetsstatistik.]

## INCOME.

Year.	Regular dues.	Assessed contributions.	State aid.	Other income.	Total.
1896.....	\$155,105.82	\$45,172.47	\$12,407.68	\$43,427.73	\$256,113.70
1897.....	257,871.21	65,715.34	15,210.05	60,930.22	408,726.82
1898.....	330,881.28	83,973.73	38,338.15	84,218.75	537,409.91
1899.....	400,692.91	116,263.05	49,022.96	117,834.61	683,813.53
1900.....	468,947.46	125,197.46	61,308.67	119,118.04	774,571.63
1901.....	534,177.72	143,971.32	69,691.99	129,105.57	876,946.60
1902.....	589,176.48	169,456.68	78,113.54	133,023.54	969,770.24
1903.....	668,409.14	177,074.87	85,596.17	167,734.75	1,098,814.93
1904.....	733,738.90	223,892.66	92,038.74	178,880.81	1,228,551.11
1905.....	814,239.17	254,415.40	99,111.24	210,544.75	1,378,310.56
1906.....	902,844.31	298,026.70	108,856.46	229,775.19	1,539,502.66
1907.....	1,037,286.75	330,784.61	115,967.00	267,630.42	1,751,668.78

## DISBURSEMENTS.

Year.	Sick relief paid in cash.	Funeral help.	Expenses of management.	Other disbursements.	Total.
1896.....	\$158,770.96	\$21,873.61	\$16,988.79	\$14,474.54	\$212,107.90
1897.....	247,939.74	40,834.52	26,777.53	24,544.92	340,096.71
1898.....	310,591.03	50,695.10	41,463.32	27,724.99	430,474.44
1899.....	421,023.84	73,375.49	47,068.21	37,875.00	579,362.54
1900.....	454,264.46	83,692.12	57,135.99	42,091.77	637,184.34
1901.....	540,815.35	93,904.28	71,576.27	38,148.78	744,444.68
1902.....	577,958.96	103,771.00	84,137.83	47,746.39	813,614.18
1903.....	644,018.54	117,774.15	94,713.42	55,078.44	911,584.55
1904.....	760,974.68	148,651.13	110,060.28	56,646.78	1,076,332.87
1905.....	842,573.19	170,355.08	127,560.46	63,242.11	1,203,730.84
1906.....	889,190.81	177,742.71	135,882.97	66,889.93	1,269,706.42
1907.....	1,068,411.35	211,186.83	162,430.04	71,967.92	1,513,996.14

The principal item of income is made up of the contributions of the members, which in 1907 amounted to \$1,368,071.36, or 78.1 per cent of the total income, representing an average contribution of \$2.52 per member. The state contribution amounted to 6.6 per cent of the total income, 71.4 per cent of the expenses of management, and 8.8 per cent of the benefits paid out during the year. In 1892, the first year of registration, the state contribution amounted to 8,723.27 crowns (\$2,337.84), or 3.2 per cent of the benefits paid. The total amount of state aid rendered from January 1, 1892, to December 31, 1907, amounted to 3,220,792.25 crowns (\$863,172.32).

The total benefits, including medical expenses, were in 1907, 87.3 per cent of the total disbursements, the expenses of management forming 10.7 per cent, while the remaining 2 per cent consisted of the other disbursements. With regard to the item "medical fees," it may be said that many of the funds give free medical attendance in addition to sick relief. The average amount of sick relief paid out during the year was \$2.04 per member. The excess of income over disbursements amounted to \$237,672.64, an average of 43.7 cents per member.



In the table following are given the assets, liabilities, and surplus of the registered sick funds for the years 1896 to 1907.

ASSETS, LIABILITIES, AND SURPLUS OF ALL REGISTERED SICK FUNDS, 1896 TO 1907.

[Source: Registrerade Sjukförsäkrings Verksamhet, 1896-1907. Utgifven afdelning Kommerskollegii afdelning för Arbetsstatistik.]

Year.	Assets.	Liabilities.	Surplus.	Total member-ship.	Surplus per member.
1896.....	\$404,913.11	\$14,457.74	\$390,455.37	99,434	\$3.93
1897.....	597,192.81	13,834.74	583,358.07	149,195	3.91
1898.....	802,452.16	28,895.09	773,557.07	184,119	4.20
1899.....	967,048.29	30,314.64	937,333.65	225,133	4.16
1900.....	1,159,139.74	14,198.98	1,144,940.76	260,163	4.40
1901.....	1,341,544.05	7,867.06	1,333,676.99	293,540	4.54
1902.....	1,589,631.77	94,778.92	1,494,852.85	321,025	4.66
1903.....	1,857,683.83	100,915.28	1,756,768.55	360,173	4.88
1904.....	2,076,107.94	102,588.80	1,973,519.14	394,704	5.00
1905.....	2,288,057.77	109,857.31	2,178,200.46	437,288	4.98
1906.....	2,627,134.23	129,604.71	2,497,529.52	489,958	5.10
1907.....	2,899,396.92	133,991.91	2,765,405.01	543,919	5.08

The details of the assets and liabilities of all registered sick funds on December 31, 1907, are as follows:

ASSETS.

Cash in office.....	\$90,187.44
Deposits in banks.....	2,148,063.31
Notes.....	309,709.19
Bonds and stocks.....	42,952.99
Deposits with employers.....	233,839.30
Real estate.....	48,272.33
Furniture.....	20,093.97
Outstanding dues.....	5,707.21
Other assets.....	571.18
Total.....	2,899,396.92

LIABILITIES.

Loans.....	\$28,063.60
Guarantee funds of members.....	97,913.18
Amounts due to members.....	3,014.69
Other liabilities.....	5,000.44
Total.....	133,991.91

The surplus of assets over liabilities was thus \$2,765,405.01 held as reserve funds. The average amount of such reserves per member has been gradually increasing, as appears from the table above.

During the year there were 145,398 cases of sickness in which relief was paid. The total combined duration of sickness amounted to 3,195,258 days, being thus an average duration of 22 days for each case of illness, and 5.9 days per member. The average amount of relief paid was 27.42 crowns (\$7.35) for each case, or 1.25 crowns (33.5 cents) per day. The statistics regarding deaths and funeral help are unsatisfactory, and are therefore excluded from the report.

The report contains a considerable amount of data regarding the rules and regulations of the various funds. In 152 of the funds, 143 of which were both sick and funeral funds, membership was obligatory. These were the funds established by employers for particular factories or institutions.

In 895 of the funds the right to receive sick relief was acquired upon entrance, there being in these funds no prescribed period of waiting. The other funds required that a person must have been a member for a certain length of time before he could receive any benefits. In the majority of the funds this waiting time was less than three months. Nearly all the funds had some rules regarding the maximum length of time during which relief would be paid in any one year, as shown by the following table:

MINIMUM AMOUNTS OF FUNERAL BENEFIT PAID BY REGISTERED SICK FUNDS, 1907.  
[Source: Registrerade Sjukförsäkrings Verksamhet, 1907. Utgifven afdelning Kommerskollegii afdelning för Arbetsstatistik.]

Minimum amount of funeral benefit.	Number of funds.			Minimum amount of funeral benefit.	Number of funds.		
	In cities.	In rural districts.	Total.		In cities.	In rural districts.	Total.
Less than \$6.70 (25 crowns)	26	157	183	Over \$20.10 and under \$26.80	5	3	8
\$6.70 or \$8.04	74	211	285	\$26.80	349	75	424
\$9.38 or \$10.72	33	49	82	Over \$26.80	81	13	94
\$12.06 or \$13.40	219	251	470	Provisions of another kind	211	266	477
Over \$13.40 and under \$20.10	25	11	36	Total	1,101	1,053	2,154
\$20.10	78	17	95				

MAXIMUM AMOUNTS OF FUNERAL BENEFIT PAID BY 200 REGISTERED SICK FUNDS PAYING COMPARATIVELY LARGE AMOUNTS, 1907.  
[Source: Registrerade Sjukförsäkrings Verksamhet, 1907.]

Maximum amount of funeral benefit.	Number of funds.			Maximum amount of funeral benefit.	Number of funds.		
	In cities.	In rural districts.	Total.		In cities.	In rural districts.	Total.
Over \$26.80 to \$53.60	116	25	141	Over \$134 to \$268	4	2	6
Over \$53.60 to \$80.40	13	3	16	Over \$268 to \$536	4	1	5
Over \$80.40 to \$107.20	5	1	6	Total	158	42	200
Over \$107.20 to \$134	16	10	26				

LIMIT OF PERIOD DURING WHICH SICK BENEFITS ARE PAID BY REGISTERED SICK FUNDS, 1907.  
[Source: Registrerade Sjukförsäkrings Verksamhet, 1907. Utgifven afdelning Kommerskollegii afdelning för Arbetsstatistik.]

Maximum period in one year.	Number of funds.			Maximum period in one year.	Number of funds.		
	In cities.	In rural districts.	Total.		In cities.	In rural districts.	Total.
Less than 6 weeks	8	26	34	13 weeks	311	280	591
6 weeks	13	13	26	Over 13 to 26 weeks	279	309	588
7 weeks	13	33	46	Over 26 weeks to 1 year	13	20	33
8 weeks	69	33	102	Variable rules	38	45	83
9 weeks	56	128	184	No rules	14	8	22
10 weeks	199	106	305	Total	1,177	1,139	2,316
11 or 12 weeks	164	138	302				

There were in addition various rules regarding payment of relief in cases of prolonged or often recurring disease, such as reduced rates after a certain length of time, a maximum amount payable to any one person, or a maximum length of time, etc.

The annual dues varied considerably, being 3 crowns (80.4 cents) or less in 260 of the funds, from 3 to 12 crowns (80.4 cents to \$3.22) in 1,053, and more than 12 crowns (\$3.22) in 91 funds. Other funds had various combinations of dues and assessments, while 162 of the funds had no regular dues.

The amount of sick relief payable ranged from 3.50 crowns (93.8 cents) per week or less in 69 of the funds to more than 10.50 crowns (\$2.81) in 184 funds. In 1,295 funds the weekly sick relief was between 3.50 crowns (93.8 cents) and 10.50 crowns (\$2.81), while others had various combination rules in force.

#### **INVALIDITY AND OLD-AGE INSURANCE.**

Government insurance against old age and invalidity exists in Sweden only for government employees. Public officials generally are entitled to pensions upon being retired for old age, but aside from this the Government has provided compulsory insurance against invalidity and old age as well as provisions for widows and orphans of certain classes of public employees, notably for the employees of the state railroads and state telegraphs.

The State Railroad Pension Institution was established by the law of September 6, 1872. According to this law every person in the ordinary service of the state railroads is a member of the pension institution and has to pay, by deduction from his salary, contributions consisting of a percentage of his salary graded according to his age at the time of his entering the service. The following are examples of these percentages for every ten years of age: Age at entry, 30 years, 1.5 per cent of salary; 40 years, 2 per cent; 50 years, 2.5 per cent; 60 years, 3 per cent; and over 60 years, 3.5 per cent of salary. In addition to these contributions the institution also receives a subsidy from the State.

A member is entitled to a pension under any of the following three conditions:

- (1) If permanent invalidity is caused in any manner through his work in the state railroad service;
- (2) If invalidity results from any cause after ten years of service;
- (3) When, after 30 years of service, the sum of his age and the length of his service amounts to 95 years.

The amount of the pension is equal to a certain percentage of his salary, depending upon the length of service, as follows: After 10 years of service, 20 per cent of the salary; after 15 years, 27.5 per cent; after 20 years, 35 per cent; after 25 years, 42.5 per cent; and

after 30 years, 50 per cent of the salary. The institution is administered by a board of directors of six members, three appointed by the King from the officials of the state railroads and the other three elected by members of the institution.

By another law of the same date, September 6, 1872, a widows and orphans' fund for state railroad employees was also established, the members of which are (1) every man employed in the ordinary service of the state railroads; (2) every man who retires from the service on a pension in accordance with the above law regarding pensions; and (3) those who retire after 20 years of service and who have reached the age of 45 years. The contributions of the members consist of:

(1) Entrance fee, amounting to one-half of a month's salary.

(2) Regular dues, consisting of a percentage of the salary graded according to age at time of entering the service, as shown by the following examples: Age at entry, 30 years, 3 per cent of salary; 40 years, 3.5 per cent; 50 years, 4.5 per cent; and at 60 years, 6.7 per cent of salary.

(3) When any member receives an increase in salary, the increase for two months is to be paid into the fund.

When a member dies and leaves a widow or orphans, such survivors will receive, collectively, 20 per cent per annum of the mean annual salary received by the deceased during the five years preceding his death. If the widow alone survives, she will receive the whole of this sum; if children only survive, the amount will be divided equally among them; if both widow and orphans survive, the widow will get one-half of the amount and the other half will be divided among the children. The pension is payable to the widow only so long as she lives unmarried, and to the children till they reach the age of 15.

The State Telegraph Workers' Pension Fund was established by the law of December 17, 1886. According to this law every person who enters the service of the state telegraph department becomes thereby a member of its pensions institution. The dues, payable by deduction from the salaries of the employees, range from 3 to 6 per cent of the pension receivable, according to age and condition of service. The right to a pension accrues after 35 years of service and the attained age of 65 years for regular employees, and after the sum of the age and length of service amounts to 95 years for station hands and other employees. The full pension amounts to 60 per cent of the salary if the latter is less than 4,000 crowns (\$1,072), 60 per cent of 4,000 crowns (\$1,072) if the salary is between 4,000 and 5,000 crowns (\$1,072 and \$1,340), and 48 per cent of salaries above 5,000 crowns (\$1,340). Every employee who becomes an invalid through the service is entitled to half pension. The funds

from which these pensions are paid are provided partly by the dues of the members and partly by contributions from the telegraph department, amounting to 5 per cent of the message receipts. In addition to the insurance outlined above, a separate law of the same date provides for pensions for the widows and orphans of the employees, for which additional dues of 3 per cent of their salaries must be paid, with an additional 10 per cent of the previous year's dues for married members. To this fund the telegraph department contributes 5,000 crowns (\$1,340) annually.

On October 11, 1907, a law was promulgated providing for pensions for persons in the civil service of the State. This law, however, applies only to persons receiving a regular salary fixed by royal authority, and therefore does not include that class of public servants coming under the designation "workmen." It moreover specifically excludes all persons employed in the state railroad and telegraph service, as these had already been provided for by the laws outlined above. It was felt, however, that this arrangement was not equitable with regard to the railroad employees, who were thus left under the old provisions of the law of 1872, whereas the new pension provisions for civil servants were based on more liberal principles. Accordingly a committee was appointed to look into the question of the improvement of the provisions for railroad employees' pensions. This committee sent in its report on February 29, 1908, which report contained a project for a new law regarding pensions for employees of the state railroads. This bill differs from the law of 1872 mainly in the following respects:

- (1) The old-age pension, after 30 years of service is to be payable to locomotive engineers and to women employees who have reached the age of 60; to foremen and station masters at the age of 62; and to employees of lower classes at the age of 65.

- (2) The conditions of the invalidity pension remain the same, but the amounts are to be increased in the last three classes and decreased in the first two classes to the following percentages: After 10 years of service, 18 per cent of the salary; after 15 years, 27 per cent; after 20 years, 36 per cent; after 25 years, 54 per cent, and after 30 years, 72 per cent of the salary.

- (3) The premiums are to be a percentage of the salary, but independent of the age of the insured, ranging from 2.8 per cent of salaries less than 2800 crowns (\$750.40) to 4.2 per cent of salaries above 8,000 crowns (\$2,144).

In 1891 the workmen's insurance committee laid before the ministry a project of law for old-age insurance. The minister of the interior, however, expressed the opinion that this question was not yet sufficiently mature for deliberation, and that it should be deferred

until it could be considered in connection with a law providing for insurance against invalidity in general.

Upon the request of the minister of the interior a new workmen's insurance committee was appointed in November, 1891. This committee took up the subject of invalidity insurance, and on March 30, 1893, presented a project of law providing for insurance against permanent incapacity for work, accompanied by an elaborate report giving statistics, detailed forecasts regarding the cost of the proposed insurance, motives and arguments on every article of the bill, and an account of the conditions of invalidity insurance existing in the country at that time.

One of the volumes of the said report contained an account of the various pension funds which existed in Sweden in the year 1891. These funds may be divided generally into two classes. The one embraces the funds formed by voluntary association for mutual support, which as a rule grant pensions only as relief in cases of actual want. The other class consists of those founded by employers or employers' associations, and as a rule partly supported by them. Under this head would come the pension funds maintained for the various classes of public employees, including the policemen's pension funds of the various communes, but in addition to these there are a number of funds formed by employers in the different trades and industries.

The total number of members in the funds in 1891, for which statistics were given in the report, was 18,708. Some of these funds are very old, two of them having been founded before the beginning of the eighteenth century. The following table shows the number of funds existing within the main branches of industries and the periods in which they were founded:

NUMBER AND MEMBERSHIP OF PENSION FUNDS EXISTING IN SWEDEN IN 1891, BY CLASSES OF FUNDS AND YEAR OF FOUNDING.

[Source: Statistiska Undersökningar Angående Pensionskassor, IV.]

Class of funds.	Pension funds founded—				Total funds.	Member-ship (1891).
	Before 1800.	1800 to 1870.	1871 to 1891.	Year not reported.		
General pension funds.....	1	4	3	.....	8	5,746
Mechanics.....	1	10	3	.....	14	1,280
Seamen.....	2	2	5	.....	9	1,434
Tradesmen.....	1	6	1	.....	8	2,284
Other occupations.....	.....	6	2	.....	8	1,296
Persons in commercial service.....	.....	2	7	.....	9	907
Private railroads.....	.....	.....	19	.....	19	3,800
Industrial workers.....	.....	3	7	.....	10	1,942
Other classes.....	.....	2	.....	1	3	19
Total.....	5	35	47	1	88	18,708



In those funds which are maintained exclusively for a particular factory or institution, including all the railroad funds, membership is obligatory for all persons employed in such works. The amount of the pensions is variously determined. In the railroad funds it is usually 40 to 50 per cent of the salary; in other cases it may be a fixed amount, which in 24 of the above-mentioned funds was less than 100 crowns (\$26.80), and in 11 cases more than 500 crowns (\$134.00). Most of the funds grant widows' pensions in addition to the pensioning of the members themselves.

Owing to the small number of persons thus provided for, the diversity of conditions, and the fact that the majority of workmen will not insure voluntarily, the new workmen's insurance committee believed in the necessity of a law providing for obligatory insurance against invalidity and old age. The main provisions of the bill presented in 1893 were as follows:

Insurance would be obligatory for all persons employed in private service in industrial, commercial, and transportation establishments, including foremen, inspectors, etc., as well as commanding officers of vessels in the merchant marine, whose salaries amounted to less than 1800 crowns (\$482.40). Persons insured in other pension funds could be exempted, provided the insurance in such funds was equivalent to that provided for by the bill.

The right to a pension would accrue upon permanent incapacity for work, whether caused by injury, disease, or old age. The insured were to be divided into three classes: The first class included those whose wages amounted to 10 crowns (\$2.68) per week or more, the second class those whose wages were less than 10 crowns (\$2.68), and the third class included women workers and the wives of insured men.

The rates for the insurance were to be 0.50 crown (13.4 cents) for the first class, 0.30 crown (8.04 cents) for the second class, and 0.20 crown (5.36 cents) for the third class, payable each week while the insured is employed, and credited to him without payment if unemployment is due to sickness. Two hundred and sixty weekly premiums would have to be paid before the insured would have a right to a pension, unless invalidity should result from accident. The amount of the yearly pension would be 50 crowns (\$13.40), with an additional 0.10 crown (2.68 cents) in the first class, 0.05 crown (1.34 cents) in the second class, and 0.02 crown (0.5 cent) in the third class, for every weekly premium paid. If the insured should die after at least 260 weekly premiums had been paid, or sooner if death be caused by accident, a pension of 30 crowns (\$8.04) per year would be paid to each child of the insured until its fifteenth year.

The premiums were to be paid by the employers by means of stamps and the employers would have the right to deduct one-half of the amount from the employees' wages. The insurance was to be admin-

istered by a pension institution, whose organization and manner of working were to be determined by royal decree.

This bill, with some modifications, was presented to the Parliament in 1895. The principal modifications were: The State was to assume the entire cost of management of that part of the insurance providing for widows and orphans, whereby the premiums payable by the active workmen and their employers would be considerably lessened. Furthermore, certain of the smaller employers were to be reimbursed by the State for the contributions paid by them, and finally, a system of voluntary insurance was to be added to the compulsory system.

The bill was, however, rejected by the Parliament, which requested in a resolution of May 10, 1895, that the Government reconsider the question and present a new bill. Accordingly a new bill was elaborated, which differed from the preceding one chiefly in the following respects:

The premiums payable by the employers were to be reduced, and corresponding contributions by the State substituted, it being the opinion of the Government that the burden on the employers would be too heavy in case they should also be made to assume liability for accidents to their employees. The pensioning of children was eliminated, and pension was in no case to be granted before the age of fifty, even in case of invalidity before that age. The bill was presented to the Parliament in 1898. It was accepted in principle by the Lower House, but the Upper House was opposed to the principle of compulsory insurance, fearing that it would entail too heavy burdens and responsibilities upon the State. The bill was accordingly rejected.

Upon the rejection of this bill the Government dropped the subject of invalidity insurance for the time being, and took up the subject of accident insurance. However, in 1895, at the time the Parliament rejected the invalidity bill, it nevertheless passed an appropriation for the year 1896 of 1,400,000 crowns (\$375,200) to be set aside as a workmen's insurance fund. Since that time a similar appropriation has been made every year, and this fund amounted at the end of 1907 to about 21,000,000 crowns (\$5,628,000). Regarding its utilization, however, nothing has yet been determined, except that a part of the interest earned by the fund is devoted to certain purposes hereinbefore described.

In 1900 the Government took up the subject of the improvement of the conditions of pension insurance for seamen. On November 9 of that year a committee was appointed to investigate the subject and to propose amendments to the existing legislation. Pensions had up to this time been granted by the seamen's register offices (*Sjömanshusen*) and by the Merchant Marine Pension Fund. Of the

former there is one established in every port of entry in the country. Their functions are to keep the registers of ships and sailors and to act as relief institutions for sailors and their surviving families. The annuities granted depend upon the needs of the applicants, being either temporary and granted under certain conditions or life annuities in the case of superannuated sailors unable to support themselves. The means from which these pensions were paid consisted at first chiefly of the "hiring fees," from 1 to 2 per cent of the wages, payable when the sailors were paid off in port, but these means were often insufficient to provide for the relief needed. Accordingly, by the royal decrees of November 30, 1899, and March 30, 1900, tonnage fees of from 0.03 crown (0.8 cent) to 0.05 crown (1.34 cents) per ton, payable by every vessel clearing for foreign ports, were appropriated for the pension funds of the register offices.

The Merchant Marine Pension Fund was established in 1864 as a compensation for the right formerly enjoyed by sailors of bringing certain commodities into the country free of duty. This fund receives subvention from the public treasury and grants pensions to sailors who are employed chiefly in foreign trade, who have been enrolled in Swedish register offices for 25 years, and have reached the age of 55 years. The pensions range in amount from 60 to 160 crowns (\$16.08 to \$42.88), according to the rank of service of the applicant.

These provisions, however, are insufficient, and a reform of the system of pensioning seamen has long been contemplated, the matter having been taken up, but without result, by the first workmen's insurance committee. The committee of 1900 proposed in November, 1904, a bill according to which insurance against invalidity, old age, and to provide pensions for widows and orphans was to be made compulsory upon all persons employed in Swedish vessels. This insurance was to be administered by the above-mentioned Merchant Marine Pension Fund, whose functions were to be extended accordingly. The amount and payment of the pensions were in accordance with the provisions of the law of July 5, 1901, and the means for their payment were to be provided from the following sources:

1. Contributions by the insured amounting to 6 per cent of their annual earnings, with minimum contributions of 15, 9, and 3 crowns (\$4.02, \$2.41, and \$0.804) per month, respectively, for the three classes into which the seamen were to be divided according to rank of service.

2. Interest on the funds of the register offices and of the Merchant Marine Pension Fund.

3. Tonnage fees and other fees now paid to the register offices except the hiring fees, which were to be abolished.

4. The state subsidies and other income now received by the Merchant Marine Pension Fund.

5. State contribution for the expenses of management.

This bill was submitted to various corporate authorities for consideration and opinions, but has not yet become a law.

In 1905 several resolutions were introduced in the Parliament looking to the reopening of the question of invalidity and old-age insurance for workmen in general. As a result, two committees, one appointed by each house, were intrusted with the investigation of the subject. The principal question was, of course, whether the insurance was to be obligatory or voluntary; but although the committee took into consideration all the well-known arguments against obligatory insurance, such as its undermining of individual responsibility and self-dependence, it nevertheless recommended a system of obligatory state insurance against invalidity and old age, basing its recommendation upon the experience of foreign countries and upon the argument that the intervention of the State in such matters would fail of its purpose unless it were based upon the element of compulsion. The question of the extent of the insurance was also entered upon. Two of the resolutions above cited proposed both invalidity and old-age insurance, while the third confined itself to old-age pensions. Two of them proposed a general system of insurance for all classes of the community, while the third would have it for the working classes only.

On December 13, 1907, the Government appointed a commission to investigate from all points of view the question of old-age and invalidity insurance in general and to prepare a project of law on the subject; but the numerous efforts of the Government to solve the problem of general invalidity insurance have up to the present time led to no tangible result, and the only system of invalidity insurance existing at present for Swedish workmen other than public employees is that provided by the various pension funds founded on private initiative, as outlined above.

#### UNEMPLOYMENT INSURANCE.

In the year 1900 the proposition was first introduced in the Parliament for the establishment of a system of public employment bureaus supported by the State. This proposition, however, was voted down, as was also a similar one introduced in the following year. In 1902 and 1903 several cities established communal employment bureaus, and as these appeared to supply a real need, in 1905 a memorial was addressed to the Government by the members of the Parliament from the cities in which communal bureaus had been established, recommending that the State take the subject under consideration. The question was referred to the Royal Bureau of Commerce, which on

March 14, 1905, submitted a report in which the necessity of public employment bureaus supported by the State was emphasized. The report also contained a proposition for a law defining the manner in which the State should cooperate in the maintenance of such bureaus. The Government accordingly asked the Parliament for an appropriation of 15,000 crowns (\$4,020) for the organization and maintenance of public employment bureaus.

This appropriation was granted, and has since been renewed each year for the same amount. The cooperation of the State takes the form of a subsidy payable out of the above appropriation to employment bureaus established by public authorities or semipublic institutions, which comply with certain conditions laid down in the enactment of the Parliament. The principal conditions are that the activity of the bureaus shall embrace employment in all kinds of work, both for men and women, that its services shall generally be given free of cost to both employers and those seeking employment, that the bureaus shall be managed by boards consisting of both workmen and employers, and their management shall be under the supervision of the Bureau of Commerce. The subsidy granted by the State shall be used only to cover postage and telephone expenses, printing and stationery, traveling expenses of representatives to be sent to conferences called by the Bureau of Commerce, and expenses incurred in the establishment of a system of cooperation between the individual bureaus. Other expenses are to be borne by the communes or other public institutions which establish the bureaus.

In 1907 there were ten public employment bureaus in operation, situated in ten of the principal cities of the Kingdom. Their activity in that year may be summarized as follows:

#### OPERATIONS OF UNEMPLOYMENT BUREAUS IN 1907.

[Source: Meddelanden från Kungliga Kommerskollegii Afdelning för Arbetsstatistik, No. 2, 1908.]

Item.	Males.	Females.	Total.
Number of applications for employment.....	42,889	25,535	68,424
Number of positions vacant.....	31,451	33,081	64,532
Number of positions filled.....	22,063	14,540	36,603

Insurance against unemployment does not yet exist in Sweden, although it is practically supplied to a considerable extent by the trades unions. As in other countries, most of the trade unions have become consolidated into federations, two of the largest of which are the "National Organization" (*Sveriges Landsorganisation*), founded in 1898, and having over 100,000 members, and the "Workmen's League" (*Arbetareförbundet*), with about 12,000 members. The National Organization is composed of a number of national trade alliances which are federations of the local unions within each par-



ticular trade. The alliances grant from their general funds support to workmen in cases of strikes ordered by their central authorities. In addition to this, several of them and a large number of the local unions provide in their membership conditions for support during unemployment. As an example of such provisions may be cited the Iron and Metal Workers' Union, an alliance which in 1906 included 144 local unions with 21,245 members. The by-laws of this union provide that every member who has been such for at least a year and who has paid at least 52 weekly contributions of 0.10 crown (2.68 cents) each, shall be entitled to support in case of unemployment to the extent of 1 crown (26.8 cents) per day for not more than 70 days, or 1.50 crowns (40.2 cents) per day to those who have been members for five years or more.

In October, 1906, the question of the establishment of state insurance against unemployment was brought up by a resolution adopted by the convention held in Stockholm in that month to consider the questions of pauperism and industrial insurance. In accordance with this resolution the minister of the interior caused an investigation of the status of unemployment insurance in Sweden and foreign countries to be made. The report on the investigation, however, was not favorable to any action by the State in this direction, in view of the very considerable practical difficulties to be met. Its principal recommendation was that in any case a thoroughly efficient and centralized system of public employment bureaus must of necessity precede any attempt at the solution of the problem of unemployment insurance by the State.

In 1908 a resolution was offered in the Parliament calling upon the Government again to make an investigation of the conditions of unemployment and the advisability of establishing a system of insurance against its consequences. The resolution was referred to a committee of the Lower House, but although that committee reported favorably upon it, it was nevertheless rejected by the Parliament, and accordingly no memorial was addressed to the Government on the subject.

#### CONCLUSIONS.

In conclusion the present status of workmen's insurance in Sweden may be briefly summarized as follows: The principle of compulsory insurance has not yet been sanctioned by the Government or put into practice. The nearest approach to it is in the employers' liability law of 1901, by the terms of which employers of labor carried on under factory conditions are liable for certain indemnities in case of accidents happening to their workmen. The only form of state insurance is accident insurance, carried on by the State Insurance Institute, established for the purpose of enabling employers to insure



their liability under the law of 1901. No provisions have yet been made by the State for insurance against death or invalidity resulting from other causes than accidents producing bodily injury, except that by the law of 1891 a system of public registration and supervision of private sick and burial funds was inaugurated. This registration is voluntary, but carries with it financial subsidy from the State. The question of general state invalidity insurance, however, has been agitated in Sweden for over twenty years, and has come before the Parliament on numerous occasions, though so far without practical results. The ideal toward which the leaders of thought on the subject of the improvement of conditions among the working classes are striving is, as was expressed in a speech before the Parliament, a unified and general system of social insurance so "that the workman and his family shall be placed in a position of economic security against all eventualities which may result in the loss or weakening of his ability to support himself and his family by his labor."

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**APPENDIX.**

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**LAWS RELATING TO COMPENSATION FOR  
INDUSTRIAL ACCIDENTS IN  
FOREIGN COUNTRIES.**

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## APPENDIX.

### LAWS RELATING TO COMPENSATION FOR INDUSTRIAL ACCIDENTS IN FOREIGN COUNTRIES.

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#### ALBERTA.

#### WORKMEN'S COMPENSATION ACT, 1908.

##### *Short title.*

SECTION 1. This act may be cited as "The Workmen's Compensation Act, 1908."

##### *Application of act and definitions.*

SECTION 2. This act shall apply only to employment by the undertakers as hereinafter defined on or in or about a railway, factory, mine, quarry, or engineering work, and to employment by the undertakers as hereinafter defined on, in, or about any building which exceeds thirty feet in height and is either being constructed or repaired by means of a scaffolding, or being demolished, or on which machinery driven by steam, water, or other mechanical power is being used for the purpose of the construction, repair, or demolition thereof.

(2) In this act, unless the context otherwise requires—

1. "Railway" means a road owned by a private person or public company on which carriages run over metal rails, and shall include railways or tramways operated by electric or other power;

2. "Factory" means a building, workshop, or place where machinery driven by steam, water, or other mechanical power is used, and includes mills where manufactures of wood, flour, meal, pulp, or other substances are being carried on; also smelters where metals are sorted, extracted, or operated on; every laundry worked by steam, water, or other mechanical power; and also includes any dock, wharf, quay, warehouse, shipbuilding yard, where goods or materials are being stored, handled, transported, or manufactured;

3. "Mine" means any kind of mine, and includes every shaft in the course of being sunk, and every level and inclined plane in the course of being driven for commencing or opening any mine or for searching for or proving minerals, and all the shafts, levels, planes, works, machinery, tramways, railways, and sidings, both below ground and above ground, in and adjacent to a mine, and any such shaft, level, and inclined plane of and belonging to the mine;

4. "Engineering work" means any work of construction or alteration or repair of a railroad, harbor, dock, canal, or sewer, and includes any other work for the construction, alteration, or repair of which machinery driven by steam, water, or other mechanical power is used:

5. "Quarry" means an open cut from which rock is cut or taken for building purposes;

6. "Undertaker," in the case of a railway, means the person or company owning or operating the railway; in the case of a factory, quarry, laundry, smelter, or warehouse, means the owner, occupier, or operator thereof; in the case of a mine, means the owner or operator thereof; and in the case of an engineering work, or other work specified within this act, means the person undertaking the construction, alteration, repair, or demolition;

7. "Employer" includes any body of persons corporate or unincorporate and the legal personal representative of a deceased employer, and, where the services of a workman are temporarily lent or let on hire to another person by the person with whom the workman has entered into a contract of service or apprenticeship, the



latter shall, for the purposes of this act, be deemed to continue to be the employer of the workman whilst he is working for that other person;

8. "Workman" includes every person who is engaged in an employment to which this act applies, whether by way of manual labor or otherwise, but does not include any person employed otherwise than by way of manual labor whose remuneration exceeds twelve hundred dollars a year, or an outworker, but, save as aforesaid, means any such person who has entered into or works under a contract of service or apprenticeship with an employer in any employment to which this act extends, whether by way of manual labor, clerical work, or otherwise, and whether the contract is expressed or implied, is oral or in writing.

Any reference to a workman who has been injured shall, where the workman is dead, include a reference to his legal personal representative or to his dependents or other person to whom or for whose benefit compensation is payable;

9. "Dependents" means such of the members of the workman's family as were wholly or in part dependent upon the earnings of the workman at the time of his death, or would but for the incapacity due to the accident have been so dependent, and where the workman, being the parent or grandparent of an illegitimate child, leaves such a child so dependent upon his earnings, or, being an illegitimate child, leaves a parent or grandparent so dependent upon his earnings, shall include such an illegitimate child and parent or grandparent, respectively;

10. "Member of a family" means wife or husband, father, mother, grandfather, grandmother, stepfather, stepmother, son, daughter, grandson, granddaughter, stepson, stepdaughter, brother, sister, half brother, half sister, adopted child, foster parent;

11. "Outworker" means a person to whom articles or materials are given out to be made up, cleaned, washed, altered, ornamented, finished, or repaired or adapted for sale, in his own home or on other premises not under the control or management of the person who gave out the materials or articles.

The exercise and performance of the powers and duties of a local or municipal authority or corporation shall, for the purposes of this act, be treated as the trade or business of the authority or corporation.

*Liability of employers to workmen for injuries.*

SECTION 3. If in any employment to which this act applies personal injury by accident arising out of and in the course of the employment is caused to a workman, his employer shall, subject as hereinafter mentioned, be liable to pay compensation in accordance with the first schedule to this act.

(2) *Provided, That—*

(a) The employer shall not be liable under this act in respect of any injury which does not disable the workman for a period of at least two weeks from earning full wages at the work at which he was employed;

(b) When the injury was caused by the personal negligence or willful act of the employer or of some person for whose act or default the employer is responsible, nothing in this act shall affect any civil liability of the employer; but in that case the workman may, at his option, either claim compensation under this act or take proceedings independently of this act; but the employer shall not be liable to pay compensation for injury to a workman by accident arising out of and in the course of the employment both independently of and also under this act, and shall not be liable to any proceedings independently of this act, except in case of such personal negligence or willful act as aforesaid;

(c) If it is proved that the injury to a workman is attributable to the serious and willful misconduct of that workman, any compensation claimed in respect of that injury shall, unless the injury results in death or permanent disablement, be disallowed.

(3) If any question arises in any proceedings under this act as to the liability to pay compensation under this act, including any question as to whether the employment is one to which this act applies, or as to whether the person injured is a workman to whom this act applies, or as to the amount or duration of compensation under this act, the question, if not settled by agreement, shall, subject to the provisions of the first schedule to this act, be settled by arbitration, in accordance with the second schedule to this act.

(4) If within the time hereinafter in this act limited for taking proceedings an action is brought to recover damages independently of this act for injury caused by any accident, and it is determined in such action that the injury is one for which the employer is not liable in such action, but that he would have been liable to pay compensation under the provisions of this act, the action shall be dismissed; but the court in which the action is tried shall, if the plaintiff so choose, proceed to assess

such compensation, but may deduct from such compensation all or part of the costs which, in its judgment, have been caused by the plaintiff bringing the action instead of proceeding under this act. In any proceeding under this subsection when the court assesses the compensation, it shall give a certificate of the compensation it has awarded and the directions it has given as to the deduction for costs, and such certificate shall have the force and effect of an award under this act.

*Time for taking proceedings.*

SECTION 4. Proceedings for the recovery under this act of compensation for an injury shall not be maintainable unless notice in writing of the accident has been given as soon as practicable after the happening thereof, and before the workman has voluntarily left the employment in which he was injured, and unless the claim for compensation with respect to such accident has been made within six months from the occurrence of the accident causing the injury, or, in case of death, within six months from the time of death:

*Provided, always, That—*

(a) The want of or any defect or inaccuracy in such notice shall not be a bar to the maintenance of such proceedings if it is found in the proceedings for settling the claim that the employer is not, or would not, if a notice or an amended notice were then given and the hearing postponed, be prejudiced in his defense by the want, defect, or inaccuracy, or that such want, defect, or inaccuracy was occasioned by mistake, absence from the Province, or other reasonable cause; and

(b) The failure to make a claim within the period above specified shall not be a bar to the maintenance of such proceedings if it is found that the failure was occasioned by mistake, absence from the Province, or other reasonable cause.

(2) Notice in respect of an injury under this act shall give the name and address of the person injured, and shall state in ordinary language the cause of the injury and the date at which the accident happened, and shall be served on the employer, or, if there is more than one employer, upon one of such employers.

(3) The notice may be served by delivering the same at, or sending it by post in a registered letter addressed to, the residence or place of business of the person on whom it is to be served.

(4) Where the employer is a body of persons, corporate or unincorporate, the notice may also be served by delivering the same at, or by sending it by post in a registered letter addressed to, the employer at the office, or, if there be more than one office, any one of the offices of such body.

*Contracting out.*

SECTION 5. If the attorney-general, after taking steps to ascertain the views of the employer and workmen, certifies that any scheme of compensation, benefit, or insurance for the workmen of an employer in any employment, whether or not such scheme includes other employers and their workmen, provides scales of compensation not less favorable to the workmen and their dependents than the corresponding scales contained in this act, and that, where the scheme provides for contributions by the workmen, the scheme confers benefits at least equivalent to those contributions, in addition to the benefits to which the workmen would have been entitled under this act, and that a majority (to be ascertained by ballot) of the workmen to whom the scheme is applicable are in favor of such scheme, the employer may, whilst the certificate is in force, contract with any of his workmen that the provisions of the scheme shall be substituted for the provisions of this act, and thereupon the employer shall be liable only in accordance with the scheme, but, save as aforesaid, this act shall apply notwithstanding any contract to the contrary made after the commencement of this act.

(2) The attorney-general may give a certificate to expire at the end of a limited period of not less than five years, and may from time to time renew with or without modifications such a certificate to expire at the end of the period for which it is renewed.

(3) No scheme shall be so certified which contains an obligation upon the workmen to join the scheme as a condition of their hiring, or which does not contain provisions enabling a workman to withdraw from the scheme.

(4) If complaint is made to the attorney-general by or on behalf of the workmen of any employer that the benefits conferred by any scheme no longer conform to the conditions stated in subsection (1) of this section, or that the provisions of such scheme are being violated, or that the scheme is not being fairly administered, or that satisfactory reasons exist for revoking the certificate, the attorney-general shall examine into the complaint, and, if satisfied that good cause exists for such complaint, shall, unless the cause of complaint is removed, revoke the certificate.

(5) When a certificate is revoked or expires, any moneys or securities held for the purpose of the scheme shall, after due provision has been made to discharge the liabili-

ties already accrued, be distributed as may be arranged between the employer and workmen, or as may be determined by the attorney-general in the event of a difference of opinion.

(6) Whenever a scheme has been certified as aforesaid, it shall be the duty of the employer to answer all such inquiries and to furnish all such accounts in regard to the scheme as may be made or required by the attorney-general.

(7) The attorney-general may make regulations for the purpose of carrying this section into effect.

*Subcontracting.*

SECTION 6. Where any person (in this section referred to as the principal) in the course of or for the purposes of his trade or business, contracts with any other person (in this section referred to as the contractor) for the execution by or under the contractor of the whole or any part of any work undertaken by the principal which is in the way of the principal's trade or business, the principal shall be liable to pay to any workman employed in the execution of the work any compensation under this act which he would have been liable to pay if that workman had been immediately employed by him; and where compensation is claimed from or proceedings are taken against the principal, then, in the application of this act, references to the principal shall be substituted for references to the employer, except that the amount of compensation shall be calculated with reference to the earnings of the workman under the employer by whom he is immediately employed.

(2) Where the principal is liable to pay compensation under this section, he shall be entitled to be indemnified by any person who would have been liable to pay compensation to the workman independently of this section, and all questions as to the right to and amount of any such indemnity shall in default of agreement be settled by arbitration under this act.

(3) Nothing in this section shall be construed as preventing a workman recovering compensation under this act from the contractor instead of the principal.

(4) This section shall not apply in any case where the accident occurred elsewhere than on or in or about premises on which the principal has undertaken to execute the work or which are otherwise under his control or management.

*Provisions as to cases of insolvency of employer.*

SECTION 7. Where any employer has entered into a contract with any insurers in respect of any liability under this act to any workman, then, in the event of the employer making an assignment for the benefit of or a composition or arrangement with his creditors, or if the employer is a company, in the event of the company having commenced to be wound up, the rights of the employer against the insurers as respects that liability shall be transferred to and vest in the workman, and upon any such transfer the insurers shall have the same rights and remedies and be subject to the same liabilities as if they were the employer, so, however, that the insurers shall not be under any greater liability to the workman than they would have been under to the employer.

(2) If the liability of the insurers to the workman is less than the liability of the employers to the workman the workman may prove for the balance in the assignment or liquidation proceedings.

(3) There shall be included among the debts which under the assignments act, and the companies winding-up ordinance, are in the distribution of the property in the case of an assignment, and in the distribution of the assets of a company being wound up, under the said act and ordinance, respectively, to be paid in priority to all other debts, the amount, not exceeding in any individual case five hundred dollars, due in respect of any compensation the liability wherefor accrued before the date of the assignment or the debt of the commencement of the winding up, and the said acts shall have effect accordingly. Where the compensation is a weekly payment, the amount due in respect thereof shall, for the purposes of this provision, be taken to be the amount of the lump sum for which the weekly payment could, if redeemable, be redeemed if the employer made an application for that purpose under the first schedule to this act.

(4) The provisions of this section with respect to preferences and priorities shall not apply where the assignor or the company being wound up has entered into such a contract with insurers as aforesaid.

(5) This section shall not apply where a company is wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company.

*Remedies both against employer and stranger.*

SECTION 8. Where the injury for which compensation is payable under this act was caused under circumstances creating a legal liability in some person other than the employer to pay damages in respect thereof—

1) The workman may take proceedings both against that person to recover damages and against any person liable to pay compensation under this act for such compensation but shall not be entitled to recover both damages and compensation; and—

(2) If the workman has recovered compensation under this act, the person by whom the compensation was paid, and any person who has been called on to pay an indemnity under the section of this act relating to subcontracting, shall be entitled to be indemnified by the person so liable to pay damages as aforesaid, and all questions as to the right to and amount of any such indemnity shall, in default of agreement, be settled by action, or, by consent of the parties, by arbitration under this act.

*Provisions as to existing contracts.*

SECTION 9. Any contract existing at the commencement of this act, whereby a workman relinquishes any right to compensation from the employer for personal injury arising out of and in the course of his employment shall not, for the purposes of this act, be deemed to continue after the time at which the workman's contract of service would determine if notice of the determination thereof were given at the commencement of this act.

SEC. 10. Notwithstanding anything hereinbefore contained, this act shall not apply to the employment of agriculture nor to any work performed or machinery used on or about a farm or homestead for farm purposes or for the purposes of improving such farm or homestead and for greater certainty but so as not to restrict in any degree the generality of the foregoing words of this section this act shall not apply to any of the following employments on a farm:

(a) Threshing, cleaning, crushing, grinding, or otherwise treating grain or sawing wood, posts, lumber, or other wooden material, or otherwise treating the same, or the pressing of hay, by any kind of machinery or motive power, and whether such machinery or motive power be portable or stationary, and whether the same be owned and operated by the farmer or farmers for whose purpose the same is being used, or by any other farmer or other person for gain, profit, or reward.

(b) The construction, repair, or demolition of any farm building, windmill, derrick, or other structure.

(2) The word "factory" as defined in this act shall not be held to include any building, workshop, place, or mill on a farm used for the purposes of such farm.

(3) The words "mine" or "quarry" as defined in this act shall not be held to include any mine or quarry on a farm used for the purposes only of such farm.

(4) The words "engineering work" as defined in this act shall not be held to include any ditch, drain, well, or other excavation on a farm being constructed or repaired for the purposes of such farm or any adjoining farm or farms.

*Commencement.*

SECTION 11. This act shall come into operation on the first day of January, nineteen hundred and nine, but shall not apply in any case where the accident happened before the commencement of this act.

*SCHEDULES.*

Unless the context otherwise requires—

(a) The words "court" or "district court" when used in these schedules shall mean the district court of the district in which all the parties concerned reside, or, if they reside in different districts, then of the district in which the accident out of which the matter arose occurred, or any judge of such district court;

(b) "Rules of court" shall mean rules of court made and promulgated as provided for in the district courts act.

*FIRST SCHEDULE.*

*Scale and conditions of compensation.*

(1) The amount of compensation under this act shall be:

(a) Where death results from the injury—

(i) If the workman leaves any dependents wholly dependent upon his earnings, a sum equal to his earnings in the employment of the same employer during the three years next preceding the injury, or the sum of one thousand dollars, whichever of those sums is the larger, but not exceeding in any case eighteen hundred dollars. *Provided*, That the amount of any weekly payments made under this act, and any lump sum paid in redemption thereof, shall be deducted from such sum, and, if the period of the workman's employment by the said employer has been less than the said three years, then the amount of his earnings during the said three years shall be deemed to be one hundred and fifty-six times his average weekly earnings during the period of his actual employment under the said employer;

(ii) If the workman does not leave any such dependents, but leaves any dependents in part dependent upon his earnings, such sum, not exceeding in any case the amount



payable under the foregoing provisions, as may be agreed upon, or in default of agreement, may be determined, on arbitration under this act, to be reasonable and proportionate to the injury to the said dependents; and

(iii) If he leaves no dependents, the reasonable expenses of his medical attendance and burial, not exceeding two hundred dollars;

(b) Where total or partial incapacity for work results from the injury, a weekly payment during the incapacity after the second week not exceeding fifty per cent of his average weekly earnings during the previous twelve months, if he has been so long employed, but if not then for any less period during which he has been in the employment of the same employer, such weekly payment not to exceed ten dollars: *Provided*, That as respects the weekly payments during total incapacity of a workman who is under twenty-one years of age at the date of the injury, and whose average weekly earnings are less than ten dollars, one hundred per cent shall be substituted for fifty per cent of his average weekly earnings, but the weekly payment shall in no case exceed seven dollars and fifty cents.

(2) For the purposes of the provisions of this schedule relating to "earnings" and "average weekly earnings" of a workman, the following rules shall be observed:

(a) Average weekly earnings shall be computed in such manner as is best calculated to give the rate per week at which the workman was being remunerated: *Provided*, That where by reason of the shortness of the time during which the workman has been in the employment of his employer, or the casual nature of the employment, or the terms of the employment, it is impracticable at the date of the accident to compute the rate of remuneration, regard may be had to the average weekly amount which, during the twelve months previous to the accident, was being earned by a person in the same grade employed at the same work by the same employer, or, if there is no person so employed, by a person in the same grade employed in the same class of employment and in the same district;

(b) Where the workman had entered into concurrent contracts of service with two or more employers under which he worked at one time for one such employer and at another time for another such employer, his average weekly earnings shall be computed as if his earnings under all such contracts were earnings in the employment of the employer for whom he was working at the time of the accident;

(c) Employment by the same employer shall be taken to mean employment by the same employer in the grade in which the workman was employed at the time of the accident, uninterrupted by absence from work due to illness or any other unavoidable cause;

(d) Where the employer has been accustomed to pay to the workman a sum to cover any special expenses entailed on him by the nature of his employment, the sum so paid shall not be reckoned as part of the earnings.

(3) In fixing the amount of the weekly payment regard shall be had to any payment, allowance, or benefit which the workman may receive from the employer during the period of his incapacity, and in the case of partial incapacity the weekly payment shall in no case exceed the difference between the amount of the average weekly earnings of the workman before the accident and the average weekly amount which he is earning or is able to earn in some suitable employment or business after the accident, but shall bear such relation to the amount of that difference as under the circumstances of the case may appear proper.

(4) Where a workman has given notice of an accident he shall, if so required by the employer, submit himself for examination by a duly qualified medical practitioner provided and paid by the employer, and, if he refuses to submit himself to such examination, or in anyway obstructs the same, his right to compensation, and to take or prosecute any proceeding under this act in relation to compensation, shall be suspended until such examination has taken place.

(5) The payment in the case of death shall, unless otherwise ordered as hereinafter provided, be paid into court, and any sum so paid into court shall, subject to rules of court and the provisions of this schedule, be invested, applied, or otherwise dealt with by the court in such manner as the court in its discretion thinks fit for the benefit of the persons entitled thereto under this act, and the receipt of the clerk of the court shall be a sufficient discharge in respect of the amount paid in:

*Provided*, That, if so agreed, the payment in case of death shall, if the workman leaves no dependents, be made to his legal personal representative, or if he has no such representative, to the person to whom the expenses of medical attendance and burial are due.

(6) Rules of court may provide for the transfer of money paid into court under this act from one court to another court in the Province.

(7) Where a weekly payment is payable under this act to a person under any legal disability, the court may, on application being made in accordance with rules of court, order that the weekly payment be paid during the disability into court, and

the provisions of this schedule with respect to sums required by this schedule to be paid into court shall apply to sums paid into court in pursuance of any such order.

(8) Any question as to who is a dependent shall, in default of agreement, be settled by arbitration under this act, or, if not so settled before payment into court under this schedule, shall be settled by the court, and the amount payable to each dependent shall be settled by arbitration under this act, or, if not so settled before payment into court under this schedule, by the court. Where there are both total and partial dependents, nothing in this schedule shall be construed as preventing the compensation being allotted partly to the total and partly to the partial dependents.

(9) Where, on application being made in accordance with rules of court, it appears to the court that, on account of neglect of children on the part of a widow, or on account of the variation of the circumstances of the various dependents, or for any other sufficient cause, an order of the court or an award as to the apportionment amongst the several dependents of any sum paid as compensation, or as to the manner in which any sum payable to any such dependent is to be invested, applied, or otherwise dealt with, ought to be varied, the court may make such order for the variation of the former order or the award as in the circumstances of the case the court may think just.

(10) Any sum which under this schedule is ordered to be invested may be invested in whole or in part in securities or investments approved by the court by the clerk of the court in his name as clerk.

(11) Any workman receiving weekly payments under this act shall, if so required by the employer, from time to time submit himself for examination by a duly qualified medical practitioner, provided and paid by the employer. If the workman refuses to submit himself to such examination, or in anyway obstructs the same, his right to such weekly payments shall be suspended until such examination has taken place.

(12) A workman shall not be required to submit himself for examination by a medical practitioner under paragraph (4) or paragraph (11) of this schedule otherwise than in accordance with regulations made by the attorney-general or at more frequent intervals than may be prescribed by those regulations.

Where a workman has so submitted himself for examination by a medical practitioner, or has been examined by a medical practitioner selected by himself, and the employer or the workman, as the case may be, has within six days after such examination furnished the other with a copy of the report of that practitioner as to the workman's condition, then, in the event of no agreement being come to between the employer and the workman as to the workman's condition or fitness for employment, the court on application may, on payment by the applicants of such fee not exceeding ten dollars as may be prescribed, refer the matter to a medical referee appointed by the lieutenant governor in council.

The medical referee to whom the matter is so referred shall, in accordance with regulations made by the attorney-general, give a certificate as to the condition of the workman and his fitness for employment, specifying, where necessary, the kind of employment for which he is fit, and that certificate shall be conclusive evidence as to the matters so certified.

Where no agreement can be come to between the employer and the workman as to whether or to what extent the incapacity of the workman is due to the accident, the provisions of this paragraph shall, subject to any regulations made by the attorney-general, apply as if the question were a question as to the condition of the workman.

If a workman, on being required so to do, refuses to submit himself for examination by a medical referee to whom the matter has been so referred as aforesaid, or in anyway obstructs the same, his right to compensation and to take or prosecute any proceeding under this act in relation to compensation, or, in the case of a workman in receipt of a weekly payment, his right to that weekly payment shall be suspended until such examination has taken place.

Rules of court may be made for prescribing the manner in which documents are to be furnished or served and applications made under this paragraph and the forms to be used for those purposes and as to the fee to be paid under this paragraph.

(13) Any weekly payment may be reviewed at the request either of the employer or of the workman, and on such review may be ended, diminished, or increased, subject to the maximum above provided, and the amount of payment shall, in default of agreement, be settled by arbitration under this act:

*Provided,* That where the workman was at the date of the accident under twenty-one years of age and the review takes place more than twelve months after the accident, the amount of the weekly payment may be increased to any amount not exceeding fifty per cent of the weekly sum which the workman would probably have been earning at the date of the review if he had remained uninjured, but not in any case exceeding ten dollars.



(14) Where any weekly payment has been continued for not less than six months, the liability therefor may, on application by or on behalf of the employer, be redeemed by the payment of a lump sum of such amount as the court shall deem just, and such lump sum may be ordered by the court to be invested or otherwise applied for the benefit of the person entitled thereto:

*Provided*, That nothing in this paragraph shall be construed as preventing agreements being made for the redemption of a weekly payment by a lump sum.

(15) If a workman receiving a weekly payment ceases to reside in the Province, he shall thereupon cease to be entitled to receive any weekly payment unless a medical referee appointed hereunder certifies that the incapacity resulting from the injury is likely to be of a permanent nature. If the medical referee so certifies, the workman shall be entitled to receive quarterly the amount of the weekly payments accruing due during the preceding quarter so long as he proves, in such manner and at such intervals as may be prescribed by rules of court, his identity and the continuance of the incapacity in respect of which the weekly payment is payable.

(16) A weekly payment, or a sum paid by way of redemption thereof, shall not be capable of being assigned, charged, or attached, and shall not pass to any other person by operation of law, nor shall any claim be set off against the same.

(17) Where under this schedule a right to compensation is suspended, no compensation shall be payable in respect of the period of suspension.

#### SECOND SCHEDULE.

##### *Arbitration, etc.*

(1) For the purpose of settling any matter which under this act is to be settled by arbitration, if any committee, representative of an employer and his workmen, exists with power to settle matters under this act in the case of the employer and workmen, the matter shall, unless either party objects by notice in writing sent to the other party before the committee meet to consider the matter, be settled by the arbitration of such committee, or be referred by them in their discretion to arbitration as hereinafter provided.

(2) If either party so objects, or there is no such committee, or the committee so refers the matter or fails to settle the matter within three months from the date of the claim, the matter shall be settled by a single arbitrator agreed on by the parties, or in the absence of agreement by the court, according to the procedure prescribed by rules of court.

(3) The arbitration ordinance, or any act of the legislature of Alberta substituted therefor, shall not apply to any arbitration under this act; but a committee or an arbitrator may, if they or he think fit, submit any question of law for the decision of the court, and the decision of the court on any question of law, either on such submission or in any case where he himself settles the matter under this act, or where he gives any decision or makes any order under this act, shall be final, unless within the time and in accordance with the conditions prescribed by rules of the supreme court either party appeals to the supreme court en banc; and the court shall, for the purpose of proceedings under this act, have the same powers of procuring the attendance of witnesses and the production of documents as if the proceedings were in action in the court.

(4) The court may summon a medical referee to sit with the court as an assessor.

(5) Rules of court may make provision for the appearance in any arbitration under this act of any party by any other person.

(6) The costs of and incidental to the arbitration and proceedings connected therewith shall be in the discretion of the committee, arbitrator, or court, subject as respects such court to rules of court. The costs, whether before a committee or an arbitrator, or in the court, shall not exceed the limit prescribed by rules of court, and shall be taxed in manner prescribed by those rules, and such taxation may be reviewed by the court.

(7) In the case of the death, or refusal, or inability to act of an arbitrator, the court may, on the application of any party, appoint a new arbitrator.

(8) Where the amount of compensation under this act has been ascertained, or any weekly payment varied, or any other matter decided under this act, either by a committee or by an arbitrator or by agreement, a memorandum thereof shall be sent, in manner prescribed by rules of court, by the committee or arbitrator, or by any party interested, to the clerk of the court, who shall, subject to such rules, on being satisfied as to its genuineness, record such memorandum in a special register without fee, and thereupon the memorandum shall for all purposes be enforceable as a judgment of the court.

*Provided*, That—

(a) No such memorandum shall be recorded before seven days after the dispatch by the clerk of notice to the parties interested; and

(b) Where a workman seeks to record a memorandum of agreement between his employer and himself for the payment of compensation under this act, and the employer, in accordance with rules of court, objects to the recording of such memorandum and proves that the workman has in fact returned to work and is earning the same wages as he did before the accident, then the memorandum shall only be recorded, if at all, on such terms as the court under the circumstances may think just; and

(c) The court may at any time rectify the register; and

(d) Where it appears to the clerk of the court, on any information which he considers sufficient, that an agreement as to the redemption of a weekly payment by a lump sum, or an agreement as to the amount of compensation payable to a person under any legal disability, or to dependents, ought not to be registered by reason of the inadequacy of the sum or amount, or by reason of the agreement having been obtained by fraud or undue influence, or other improper means, he may refuse to record the memorandum of the agreement sent to him for registration, and refer the matter to the court, and the court shall, in accordance with rules of court, make such order (including an order as to any sum already paid under the agreement) as under the circumstances may seem just; and

(e) The court may, within six months after a memorandum of an agreement as to the redemption of a weekly payment by a lump sum, or of an agreement as to the amount of compensation payable to a person under any legal disability, or to dependents, has been recorded in the register, order that the record be removed from the register on proof to the satisfaction of the court that the agreement was obtained by fraud or undue influence or other improper means, and may make such order (including an order as to any sum already paid under the agreement) as under the circumstances may seem just.

(9) An agreement as to the redemption of a weekly payment by a lump sum if not registered in accordance with this act shall not, nor shall the payment of the sum payable under the agreement, exempt the person by whom the weekly payment is payable from liability to continue to make that weekly payment, and an agreement as to the amount of compensation to be paid to a person under a legal disability or to dependents, if not so registered, shall not, nor shall the payment of the sum payable under the agreement, exempt the person by whom the compensation is payable from liability to pay compensation, unless, in either case, he proves that the failure to register was not due to any neglect or default on his part.

(10) The duty of district courts under this act shall, subject to rules of court, be part of the duties of such courts, and the officers of such courts shall act accordingly, and rules of court may be made both for any purpose for which this act authorizes rules of court to be made, and also generally for carrying into effect this act so far as it affects such courts, and proceedings therein.

(11) No court fee, except such as may be prescribed under paragraph (12) of the first schedule to this act, shall be payable by any party in respect of any proceedings by or against a workman under this act in the court prior to the award.

(12) Any sum awarded as compensation shall, unless paid into court under this act, be paid on the receipt of the person to whom it is payable under any agreement or award, and the solicitor or agent of a person claiming compensation under this act shall not be entitled to recover from him any costs in respect of any proceedings in an arbitration under this act, or to claim a lien in respect of such costs on, or deduct such costs from, the sum awarded or agreed as compensation, except such sum as may be awarded by the committee, the arbitrator, or the court, on an application made either by the person claiming compensation, or by his solicitor or agent, to determine the amount of costs to be paid to the solicitor or agent, such sum to be awarded subject to taxation and to the scale of costs prescribed by rules of court.

(13) Any committee, arbitrator, or court may, subject to regulations made by the attorney-general, submit to a medical referee for report any matter which seems material to any question arising in the arbitration.

(14) The attorney-general may, by order, either unconditionally or subject to such conditions or modifications as he may think fit, confer on any committee representative of an employer and his workmen, as respects any matter in which the committee act as arbitrators, or which is settled by agreement submitted to and approved by the committee, all or any of the powers conferred by this act exclusively on courts or judges thereof, and may by the order provide how and to whom the compensation money is to be paid in cases where, but for the order, the money would be required to be paid into court, and the order may exclude from the operation of provisos (d) and (e) of paragraph (8) of this schedule agreements submitted to and approved by the committee, and may contain such incidental, consequential, or supplemental provisions as may appear to the attorney-general to be necessary or proper for the purposes of the order.

## AUSTRIA.

### LAW OF DECEMBER 28, 1887, RELATING TO THE ACCIDENT INSURANCE OF WORKMEN. (a)

#### SCOPE OF THE LAW.

ARTICLE 1. All workmen and administrative officials employed in factories, in smelting works, in the mining of minerals not specially excepted, in dock yards, slips and quarries, as well as in plants connected with these industries shall be insured in accordance with the provisions of this act against accidents occurring in the course of their employment.

The same applies to workmen and administrative officials in enterprises connected with the erection of buildings or otherwise with construction work. This provision does not apply to those workmen who without being employed in one of the establishments specified, are engaged solely in special repair work on buildings. In case of the erection of dwellings, barns, etc., in rural districts, as well as other agricultural buildings, there is no obligation of insurance as long as the work is executed by only the master, the members of his household or other inhabitants of the same place who do not follow such work as a profession.

The establishments enumerated in paragraph 1 shall include for the purpose of this act:

1. Those establishments in which explosives are manufactured or used;
2. Those enterprises in manufactures, agriculture, and forestry in which steam boilers or machinery propelled by natural power (wind, water, steam, gas, hot air, electricity, etc.) or by animals, is used. This provision shall not apply to those undertakings which employ temporarily a power machine not forming a part of the permanent plant.

If, in an undertaking connected with agriculture or forestry in which insurance is obligatory, a power machine belonging to the permanent plant is used in such a way that only a definite number of the workmen and administrative officials connected with the industry are exposed to danger, the obligation of insurance is limited to the workmen who are thus exposed.

The insurance of workmen and administrative officials engaged in the mining of minerals specially excepted and in establishments accessory thereto, is regulated by a special law.

Workmen or administrative officials respectively, in the meaning of this act, shall include apprentices, unsalaried assistants, and other persons who, because their course of training is not yet completed, receive only a small remuneration or none at all.

ART. 2. The provisions of this act apply to railways and inland navigation only when they form an essential part of any of the enterprises subject to the insurance and used solely in connection therewith. Those workmen and administrative officials come under the application of this act who are employed on railways, but to

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<sup>a</sup> Reichsgesetzblatt, January 1, 1888.

whom the law of March 5, 1869 (Reichsgesetzblatt No. 27), does not apply with respect to their employment outside of transportation.

The provisions of this act do not apply to shipping enterprises, which are subject to the maritime law.

ART. 3. The minister of the interior is authorized to exempt from the obligations of insurance such undertakings under article 1 as are not dangerous to the persons therein employed.

The minister of the interior is likewise authorized to place under the obligation of insurance other undertakings than those mentioned under article 1 in case such undertakings are accompanied with danger of accident, particularly such as are attended with special risk of fire.

All such arrangements are to be annually reported to the imperial legislature.

The minister of the interior is also authorized in case of necessity to issue instructions stating what mechanical appliances are to be considered as coming under the head of machinery as used in article 1, paragraph 3.

ART. 4. This act does not apply to those officials in the service of the Empire, a state, commune or other public institution in so far as they or their dependents are entitled, in case of an industrial accident, to a pension, the amount of which is equal to or exceeds that stated in articles 6 and 7.

#### OBJECT OF INSURANCE—AMOUNT AND CALCULATION OF COMPENSATION.

ARTICLE 5. The object of the insurance specified in article 1 is to provide, by this act, a definite compensation for loss arising from a bodily injury or from the death of the insured person.

ART. 6. In case of bodily injury, the compensation shall be a pension granted to the injured person from the beginning of the fifth week after the occurrence of the accident for the whole duration of the incapacity.

The amount of the pension shall be calculated upon the basis of the amount earned by the injured person during the last year of his employment in that establishment in which the accident occurred. If the person injured has not been employed for an entire year in that establishment, the average annual earnings of workmen of the same class in the same or similar establishments of that district shall be taken as the basis of reckoning.

If, because of the nature of the enterprise, it is in operation only during a part of the year, the calculation of the average daily wage shall be based on the number of days' work during the period of operation.

Incidental interruptions of work are not to be taken into account.

The annual earnings are considered to be three hundred times the average daily earnings.

In case the annual earnings of a workman or an administrative official are in excess of 2,400 kronen [\$487.20], the excess is not considered in making the computation.

The annual earnings of apprentices, unsalaried assistants and other persons who, because their course of training is not yet completed, receive only a small remuneration or none at all, shall be computed at the amount of the lowest annual earnings received by full paid workmen or administrative officials as the case may be in that employment who have completed their course of training, but not to exceed the sum of 600 kronen [\$121.80].

The pension shall amount to:

(a) In case of total disability and for the whole duration of the same, 60 per cent of the annual earnings.

(b) In case of partial disability and for the duration of the same, a portion of the pension stated under a, to be calculated according to the degree of disability, but not to be more than 50 per cent of the annual earnings.

In case the workman intentionally causes the accident, he loses all claim to compensation.

ART. 7. In case the accident results in death, the compensation shall include, besides the benefits provided in article 6 for the period before death, the following:

1. The burial expenses, according to the custom of the place, but at the highest not more than 50 kronen [\$10.15];

2. A pension to be paid to the dependents of the injured person from the day of his death, the amount of which shall be calculated according to the provisions of article 6, paragraphs 2 to 7.

This pension shall be as follows:

(a) To the widow until her death or remarriage, 20 per cent; to the widower, if he is unable to work and as long as this condition continues, 20 per cent; for every legitimate child up to the completion of its fifteenth year of age, 15 per cent, and, in case it has lost or loses both parents, 20 per cent of the annual earnings; for every illegitimate



child up to the completion of its fifteenth year of age, 10 per cent of the annual earnings. The pension to the widow (or the widower) and the children shall not altogether exceed 50 per cent of the annual earnings; in case the above basis of calculation would make the amount exceed this rate, the individual pensions must be proportionately reduced;

(b) To ascendants of the deceased, if he was their sole support, until their death or the cessation of their need, 20 per cent of his annual earnings. This amount cannot be exceeded by reason of the existence of several claimants, in which case parents shall be preferred to grandparents.

In case of remarriage, the widow shall receive three times the amount of her yearly pension as a settlement of her claim.

If marriage with the person injured took place after the occurrence of the accident, no right shall accrue to the widow or the widower as the case may be, or to the children of this marriage. No right shall accrue to illegitimate children begotten after the accident or to the wife or the husband at fault in case they are not living together.

If persons enumerated under *a* and persons enumerated under *b* put in competitive claims, the last mentioned shall have rights only in so far as the claims of the first mentioned do not exhaust the maximum pension.

ART. 8. As remuneration or wages in the sense of this act are included bonuses and payments in kind. The value of the latter is to be calculated according to average local prices.

#### INSURANCE INSTITUTIONS—MEMBERS AND DIRECTORS OF THE SAME.

ARTICLE 9. The insurance prescribed under article 1 shall be under the management of a special insurance institution organized for this purpose and based on the principle of mutuality.

As a rule such an insurance institution shall be established in the capital city of each state [Land]. The minister of the interior is, however, empowered to establish either in one and the same state several insurance institutions or for several neighboring states, one institution. In this case the minister of the interior shall determine the seat of the institutions. Before every such arrangement the opinions of the state committee [Landesausschuss] are to be obtained.

To the minister of the interior is the further right reserved of changing the districts [Bezirk] of the insurance institution established under this act, without altering the terminal boundaries designated in paragraph 2; of uniting into one several such institutions; or ordering the division of an institution. Before every such decision the insurance institutions concerned are to be advised and the opinions of the state committees are to be obtained.

The insurance institutions shall be under governmental supervision in accordance with the limitations of other insurance companies and the special provisions of this act.

The salaried officers of these insurance institutions shall be duly sworn. They shall be under the authority of the directors. For the appointment and removal of the directing officials, as well as the insurance actuary and the accountant, the governmental consent is necessary.

ART. 10. Members of the insurance institution mentioned in article 9 are the proprietors of the establishments under the obligation of insurance situated in the district of the institution, and the workmen and administrative officers employed therein and designated in article 1.

ART. 11. The person for whose account the business is carried on shall be considered the proprietor of the establishment subject to insurance.

With respect to the enterprises designated in article 1, paragraph 2, the person to be considered the employer or proprietor, as far as respects the workmen and the superintending personnel engaged in establishments which are connected with the execution of construction work, shall be the operator or contractor concerned; for other persons engaged in the construction of a building, the person who as employer has taken the contract, and so far as such person does not exist, the master builder.

In case of the temporary use of power machinery not forming a part of the permanent plant, as mentioned in article 1, paragraph 3, [2] the owner of the power machine shall, as far as the workmen and administrative officers subject to such risk are concerned, be considered as the employer.

ART. 12. The directors of the insurance institution established according to article 9 who are responsible for the management of the business and the representation of the institution, shall be organized as a committee [Kollegium] in the following manner: The number of members shall be divisible by three; of these, one-third shall be representatives of the employers, one-third representatives of the insured persons,

and one-third persons familiar with the economic conditions of the district, who shall be appointed by the minister of the interior after consultation with the appropriate state committees. The directors shall choose from their number a president and a vice-president.

The minister of the interior is authorized to dissolve the board of directors of an insurance institution, and transfer the management and representation of the same provisionally to an administrator. Nevertheless the minister is required, within four weeks after such dissolution, to take the necessary steps for the reconstitution of the board of directors.

#### CONSTITUTION OF INSURANCE INSTITUTIONS.

**ARTICLE 13.** For each insurance institution a constitution is to be prepared after the model of a form of constitution published by ministerial decree, in which a definite provision shall be included concerning the voting powers of the members, as well as concerning the choice of the representatives of employers and insured persons specified in article 12 and concerning the assessment periods [Beitragsperiode]. For the validity of this constitution, and for all alterations of the same, the governmental sanction is necessary.

The constitution shall contain also the requisite provisions concerning the form and content of the declarations to be sent, according to this act, by the employer to the insurance institution, and the computations and reports to be delivered by the same as well as the manner in which these declarations, computations and reports are to be transmitted to the institution.

#### CLASSES OF RISK.

**ARTICLE 14.** All the establishments subject to insurance under this act shall be divided into different risk classes.

The relative positions occupied by all the establishments subject to the obligation of insurance with regard to the degree of danger to which the workmen there employed are exposed, shall be designated by a number. The number used to indicate the most dangerous class shall be one hundred, and that used to indicate all others shall be a percentage of this number.

On the basis of this calculation there shall be established a general classification of all the industries subject to insurance, and this classification shall be made out in such a way that in each class of risk there shall be several consecutive percentages.

The distribution of all the establishments subject to insurance among the various classes of risk and the selection of the percentages of each risk class shall be effected according to administrative ordinance on the basis of the accident statistics.

The classification of the establishments falling within each class of risk by means of the individual percentages of such class shall be made by the insurance institution according to the risk of accident of the several establishments, and especially with regard to the precautionary measures taken therein to prevent accidents. The division into classes, and the percentage rates established within each class and the distribution of the different industries in each class shall be published.

The division into classes of risk and the affixing of the percentage rate to each class shall be revised every five years, upon the basis of the experience of all the insurance institutions designated in article 9. The revisions shall be effected during the fifth year, in such a way as to go into effect at the beginning of the sixth year.

The first revision shall nevertheless be undertaken at an earlier date if the experience up to that time is sufficient.

#### RESERVE FUND.

**ARTICLE 15.** For the establishment of a capital reserve, each insurance institution founded according to this law shall annually set aside a sum, the amount of which shall be fixed by the minister of the interior. The surplus accruing every year from the management of the institution shall be applied to the same fund.

The capital reserve shall in no case amount to more than 10 per cent of the funds necessary for the liabilities of the insurance institution.

Of the total annual additions to the capital reserve of an insurance institution, two-thirds shall be applied to the establishment of a special reserve fund for the institution itself and one-third to the establishment of a common fund for all insurance institutions established in conformity with this act.

The reserve funds shall be used to cover deficits appearing in the annual balance sheet and arising out of the comparison of the amount of the liabilities of the institution, computed according to actuarial principles, with the assets set aside for meeting such liabilities. The special reserve fund of each institution is to be applied first of



all to cover any deficit of that institution and not until this is exhausted can the common reserve fund be drawn upon.

The common reserve fund shall be managed by the state as a special fund. The minister of the interior shall in each particular case decide whether the funds shall be applied to the purpose specified above.

#### CAPITALIZATION OF PENSIONS—CONTRIBUTIONS TO THE INSURANCE FUNDS.

ARTICLE 16. The means for defraying the compensation to be paid by the insurance institution, according to articles 6 and 7, reckoned according to actuarial principles and the expenses of management as well as the amount to be applied to the formation of a reserve fund, according to article 15, shall be obtained through contributions which are to be paid by the members in proportion to the earnings of the insured. Earnings exceeding the sum of 2,400 kronen [\$487.20] annually shall be reckoned as amounting only to this sum. In the case of the persons designated in article 6, paragraph 7, the calculation is to be based upon the earnings assumed as the amount of their insurance.

The insurance contributions shall be calculated according to a tariff established by the insurance institution and sanctioned by the government. The tariff is to be stated in terms of the amount of the contribution ascertained to be necessary for each percentage of risk and each krone [20 cents] of earnings.

For the first business year the tariff shall be fixed by administrative ordinance.

The minister of the interior is authorized to regulate by ordinance the increase or reduction of this tariff according to the results of the experience of the specified insurance institution.

ART. 17. Of the insurance contributions specified in the tariff, 10 per cent is to be paid by the insured, and 90 per cent by the proprietor of the establishment which is subject to insurance.

The contribution determined by the tariff for those insured persons who do not receive payment in cash for their work, is to be paid entirely by the employer.

#### SELECTION AND CLASSIFICATION OF THE ESTABLISHMENTS SUBJECT TO INSURANCE.

ARTICLE 18. Heads of establishments (article 11) are required to send a report to the insurance institution of the district in which their establishments subject to the insurance are located; for establishments subject to the insurance existing at the time when this law goes into effect, said report shall be forwarded within a period to be determined by the minister of the interior; for establishments going into operation after the expiration of this period, the report shall be sent within fourteen days at the latest. Said report shall state the product and nature of the establishment, the number of insured persons there employed and the amount of their annual earnings to be taken as the basis of their insurance (article 6, paragraphs 5, 6 and 7). In the case of newly opened establishments, the report shall state the date of opening.

The public authority of the first instance [politische Behörden erster Instanz] shall report to the appropriate insurance institution concerning the existing or newly opened establishments subject to insurance in their districts.

After the receipt of such declaration or communication, the board of directors shall decide whether the establishment is subject to the insurance and if so to what class of risk it belongs, and under what percentage in this class it is to be rated. The employer shall be informed of this decision and of the tariff. He is authorized within fourteen days after the delivery of this decision to enter a protest through the state administrative authorities [politische Landesbehörde]. Said authorities shall advise the insurance institution of such protest, shall attend to the necessary inquiries and shall decide upon the protest, their decision being subject to appeal to the minister of the interior.

The representative of the government supervision connected with the institution is also authorized to make protest in the same way against the decision of the insurance institution.

The making of the protest shall not act as a stay.

ART. 19. The head of the establishment (article 11) is required to make known to the insurance institution within eight days, every change in the product or nature of his establishment which may make any change in the obligation of insurance, the rating in the class of risk or the percentage in the class. The institution shall decide whether, because of said change, the establishment has ceased to be subject to the insurance or whether it shall belong to another risk class or to another percentage in the same class.

Relative to the decision upon these declarations and to protests, the provisions of article 18, paragraphs 3, 4 and 5, are applicable.

**ART. 20.** If circumstances which make it necessary to classify an establishment subject to insurance in another class of risk or in another percentage come to the knowledge of the insurance institution after the decisions indicated in articles 18 and 19 are made, the institution is authorized to decree, with the agreement of the employer, that from the time of this decision the establishment in question shall be placed in another class of risk or in another percentage of the same class.

Relative to this decision and to protests against the same, the provisions of article 18, paragraphs 3, 4 and 5 are applicable.

#### DETERMINATION AND COLLECTION OF THE INSURANCE CONTRIBUTIONS.

**ARTICLE 21.** Within fourteen days after the period established by the constitution for the payment of contributions, the employers (article 1) shall pay to the insurance institution quotas of the insurance contributions due from them and their employees, reckoned according to the tariff, accompanied by a computation of the amount of the insurance contribution for the period then expiring.

**ART. 22.** The employers are required to pay also to the insurance institution the share of the contribution which falls to the insured persons. They are, nevertheless, authorized to charge against the accounts of their employees the amount which the latter are required, under article 17, to contribute and deduct the same from the wages or salary due them. The charging and deduction are to be made against the payment of wages taking place in the course of the legal contribution period for which the contribution is to be paid, on the basis of a computation to be drawn up by the employer which shall be made known to all the insured persons employed in the establishment.

In case of complaints against this account, the public authorities of first instance shall decide, subject to further appeal.

In case the employer makes no use of his privilege of deducting the employees' contributions from their wages or salary, he may at later payments of wages or salaries exercise this right respecting the quota not withheld only in so far as not more than one month has elapsed since the original time of settlement.

After this time has elapsed, no other adjustment of the right to make the deductions is allowed.

**ART. 23.** The insurance institutions shall verify computations made by the employers respecting the amount of insurance contributions for the period elapsed (article 21).

To this end the institution is authorized to have examined on the spot, by an agent, those accounts of the establishment which are needed for ascertaining the amounts received by the insured.

The employer is required to lay his accounts before the authorized representative of the insurance institution. On the basis of the result of the examination, the amount of the contribution is determined for the period elapsed.

If the employer does not respond promptly to the obligation stated in article 21, to present the aforementioned report, the insurance institution may on its own initiative determine the amount of the contribution for the completed period. In this case, the institution has also the right to look into the aforementioned accounts of the employer and to require the latter to meet his obligations in this respect.

The employer shall be informed of the decision. At the same time the requisite steps to provide for an eventual payment or reimbursement shall be taken.

The employer is authorized within fourteen days after the notification to protest to the competent state authority against the amount of contribution determined. Said authority shall inform the insurance institution concerning the protest and shall make the necessary investigations; they shall decide upon the protest subject to the appeal to the minister of the interior.

The government supervising service connected with the insurance institution is also authorized to protest against the determination of the contribution.

Making such a protest shall not act as a stay.

**ART. 24.** Those persons who are commissioned by an insurance institution in accordance with article 23, to examine the accounts of an employer, are to take the oath of office and in particular to be bound to guard all business secrets which come to their knowledge.

These persons shall not accept any compensation whatever for the performance of their duties either from the employer or from the insured persons, and they must decline all offers of hospitality from the same.

Neither these persons nor the insurance institutions themselves may be called into service for any purpose by the Department of Finance.

**ART. 25.** In case the report provided for in article 18 is either not sent in at all or not sent in within the stated time, and if the insurance institution consequently learns

too late of the existence of an establishment subject to insurance, every proprietor who has not sent in his report must himself pay the entire insurance contribution for the period between the time of opening of his establishment and the time when the institution was notified of its existence.

Relative to determining the amount to be paid in case contributions are in arrears and to protests against such decisions, the provisions of article 23, paragraphs 2 to 6, are applicable.

ART. 26. Outstanding insurance contributions may be collected by administrative process.

ART. 27. In case an establishment subject to insurance is shut down, the proprietor (article 11) must make this known to the insurance institution within eight days. At the same time with the delivery of the notification, the insurance contribution from the time since the expiration of the last contribution period, according to the constitution, shall be paid to the institution, accompanied by the financial computation.

#### INSPECTION OF ESTABLISHMENTS AND PLANTS.

ARTICLE 28. The insurance institution is authorized to request the local factory inspector to examine an establishment subject to insurance on the spot. The factory inspector shall comply with this request as quickly as possible.

With regard to the designated inspections the provisions of the law of June 17, 1883 (Reichsgesetzblatt No. 117), are fully applicable. The employer and his agents are required to give to the factory inspector the desired information, especially concerning those circumstances which might affect the risk of accident connected with the establishment.

The factory inspector must communicate to the insurance institution all the information which he has gained. On the basis of this information the insurance institution may propose to the public authority of the first instance of the district in which the establishment subject to insurance is located, the issuance of instructions as to the measures which the proprietor shall take for the prevention of accidents in his establishment as well as to the conduct to be observed by the insured persons to the same end. If the public authority of the first instance assents to the proposal of the insurance institution, the instructions issued, against which further protest is permissible, are to be forwarded to the proprietor and made known in the establishment in a proper manner.

The expenses which arise in general through the transfer to the factory inspectors of duties specified in paragraph 1, and especially through the consequent increase in the number of factory inspectors, are to be treated as expenses of management of the insurance institution. The total amount of these expenses is to be determined by the minister of commerce in agreement with the minister of the interior and is to be divided by the latter among the insurance institutions with respect to the amount of business done by each.

#### DUTY OF REPORTING ACCIDENTS.

ARTICLE 29. Every accident occurring in any establishment subject to insurance as a result of which any person therein employed is killed or receives bodily injury which results in death, or entails at least three days' disability for work, the proprietor or the person who, at the time of the accident was taking his place in the direction of the work shall, at the latest within five days after the accident, forward to the public authority of the first instance, a written report of the same in duplicate.

The form and content of this report shall be determined by ordinance.

ART. 30. The public administrative authority shall without delay forward to the insurance institution a copy of each of the accident reports received (article 29).

#### DETERMINATION OF THE CLAIM TO COMPENSATION.

ARTICLE 31. In case notice is received of an accident by which an insured person is killed or suffers bodily injury which in all probability will result in death or in more than four weeks' disability for work, the proper administrative authority shall as quickly as possible take the appropriate measures to learn definitely concerning the following points:

1. The cause and nature of the accident;
2. The persons killed or injured;
3. The earnings of the same;
4. The nature of the injuries received;
5. The place where the injured persons are staying;

6. The dependents of the persons killed by the accident who, according to article 7, are entitled to make a claim for compensation.

The insurance institution may through an agent take part in the investigation. To this end due notice is to be given to the institution of preparations for the same. The expenses of investigation, if there be any, especially those incurred by the summoning of experts, are to be borne by the insurance institution. The result of the investigation shall be communicated to the insurance institution.

ART. 32. The communal officials are required to cooperate in the investigation of those facts which concern the determination of claims to compensation and the amounts of the compensation.

ART. 33. In case insured persons die as a result of an accident, the insurance institution must immediately after the investigation (article 31) or in case death ensues later, as soon as it receives notice of the same, proceed to determine according to article 7 the amount of compensation to be paid.

In case insured persons receive bodily injuries from the accident, after the lapse of four weeks from that event, the pension due under article 6 to those persons who at this time are still completely or partially disabled, shall be determined.

In the case of those injured persons who, after the lapse of four weeks, are still under medical treatment for the injuries received, the determination of the pension is at first to be limited to the pension to be paid until the conclusion of medical treatment. Further determination of the pension shall not be made until after the conclusion of medical treatment.

ART. 34. Claimants whose compensation has not been determined by the officials, shall present their claims to the insurance institution in question before the expiration of one year after the date of the accident in order to avoid exclusion.

In case the claim presented is admitted, the amount of the compensation is to be immediately determined; in case it is not admitted, compensation is to be refused.

ART. 35. Employers are required to forward to the insurance institution on demand within eight days, such information concerning the wages and salary of the dead and injured persons who were employed in the establishment in question, as is necessary for the computation of the earnings according to article 6, paragraphs 2 to 7.

ART. 36. The insurance institution must send to the person entitled to compensation a written notice concerning the determination of the compensation recognized either by the officials acting on their own initiative or upon the application of the claimant; this notice must show the amount of compensation granted and the method of computing it. In case of compensation to injured persons incapacitated for work, it shall be particularly stated whether the disability is entire or partial and in the latter case, the degree of disability.

Written notice must likewise be sent in case of rejection of a claim to compensation.

#### PAYMENT OF COMPENSATION.

ARTICLE 37. Funeral expenses (article 7, (1) ) shall be paid one week after they are determined.

Pensions granted to an injured person and to dependents are to be paid monthly in advance upon presentation of a certificate that the beneficiary is still alive (*Lebensbestätigung*).

The constitution shall contain the necessary regulations concerning requirements of the certificates proving that the beneficiary is still alive and concerning the method of payment of pensions and funeral expenses.

#### ARBITRATION.

ARTICLE 38. A board of arbitration shall be established for every insurance institution created under this act, at the seat of said institution; this board shall decide concerning such claims to compensation as have been presented to the institution and not allowed.

The board of arbitration shall consist of a permanent president, four associates and the necessary alternates. The president and his alternate shall be appointed by the minister of justice in agreement with the minister of the interior from among the government judicial officers. Two of the associates and their alternates, who must be persons of technical education, shall be appointed for a definite period by the minister of the interior in agreement with the ministers interested. One associate and his alternate shall be chosen by the employers subject to insurance and the fourth associate and alternate by the insured persons at the same time when the election of the directors is held (article 12) and for the same term of office as said directors. None of the members of the board of arbitration shall belong to the directorate of the insurance institution or be employed in its service.



As for the rest, the composition of the board of arbitration and the procedure before it as well as the payment, if such be made, of the members of the board, shall be established by ordinance. The expenses connected with the establishment and management of the board of arbitration shall be borne by the insurance institution.

Appeals or protests against the verdict of the board of arbitration are not permitted.

For the enforcement of a decision of the board of arbitration or of an agreement sanctioned by said board, the competent court of the defendant may be called upon.

Claims for compensation against the insurance institution must be presented before the expiration of one year from the notification to the claimant of the award designated in article 36, in order to avoid deprivation of the right to appeal to the board of arbitration.

#### CHANGES IN THE PREMISES OF CLAIMS FOR INSURANCE.

ARTICLE 39. In case of a material change in the circumstances which led to the determination of the insurance, another rating of the same may be made by the insurance institution on application or on the initiative of the institution.

If a person who has sustained bodily injuries and for whom compensation has been determined according to article 6, later dies as the result of such injury, then the claim for compensation for the survivors (in case action is not taken on the initiative of the officials) must be presented to the insurance institution within one year after the date of death, in order to avoid expiration by limitation.

An increase in the pension shall take effect only for the time after the presentation of the claim for higher compensation.

A reduction or withdrawal of the pension shall take effect from the date of the announcement to the claimant of such change (article 36). An objection to this decision taken to the board of arbitration shall not act as a stay to the enforcement of the decision.

As to the course of procedure in the above-mentioned cases, articles 32, 34 (paragraph 2), 35, 36 and 38 are applicable.

ART. 40. In case a workman or an administrative officer who has been injured in an industrial accident and who has received, according to article 6, paragraph 8(a), a pension of 60 per cent of his yearly wages, again accepts a position suited to his capacity either with his former or another employer, the pension allowed to him may be temporarily, entirely or partially withdrawn according to his present wages or salary as provided for in article 39, paragraph 1. If, in such a case, the wages or salary of such a workman or administrative officer amounts to at least 80 per cent of his yearly earnings assumed as the basis of his pension, the insurance institution is required to make good to the present employer during the period of the new employment, one-half of the amount saved by the partial or entire withdrawal of the pension.

#### CAPITALIZATION OF PENSIONS.

ARTICLE 41. An agreement between the insurance institution and a person entitled to a pension whereby, against the renunciation of the pension or a part of the same, the present capital value of the pension shall be paid wholly or partly in a lump sum, is legally binding only when the commune legally bound to care for the claimant under the poor laws has consented to the agreement.

#### RIGHT OF A FOREIGNER TO CLAIM INSURANCE.

ARTICLE 42. In case the claimant is a foreigner and in case he resides permanently in a foreign country, the insurance institution is authorized to liquidate his claim by one payment in lump sum calculated according to the circumstances of the case.

This provision shall not apply to citizens of Hungary in case an analogous Hungarian law grants similarly favorable treatment to Austrian citizens.

#### PROHIBITION OF THE ATTACHMENT OF CLAIMS FOR COMPENSATION.

ARTICLE 43. Claims against the insurance institution in favor of the persons entitled to compensation under this act shall not be subject to attachment or to the laws regulating the deposit of sureties. Exception to this law exists only in favor of claims for support existing under the law against persons entitled to compensation.

In so far as attachment and pledges are not permissible, all disposition of the above-mentioned allowances due to claimants through transfer or assignment, or through any other legal process (Rechtsgeschäft) is null and void.

**PROHIBITION OF AGREEMENTS.**

**ARTICLE 44.** The insurance institutions are not authorized to exclude or to limit in advance the application of the provisions of this act to their advantage through contracts (regulations). The provisions of a contract contrary to this prohibition are null and void.

**LIABILITY OF EMPLOYERS AND THIRD PERSONS IN CASE OF ACCIDENTS.**

**ARTICLE 45.** The employer (article 11) is required, when he or, in case of his civil incapacity, his legal representative, either intentionally or through gross negligence has caused the accident, to relieve the insurance institution of all liability for compensation under this act.

In like manner liability is incurred in the case of a joint stock company or other corporation or association, if a director or a receiver and in the case of a commercial corporation, if a firm member authorized to conduct the business, or if a receiver has occasioned the accident intentionally or through gross negligence.

As reimbursement for the pension, the insurance institution may, in the above-mentioned cases, demand its capitalized value which shall be computed according to the principles laid down for the conduct of the insurance institution.

The right of the insurance institution to claim reimbursement expires in three years from the date of the accident.

**ART. 46.** The insured person or his dependents are entitled to claim an indemnity from the employer only in case the accident was intentionally caused by one of the persons mentioned in article 45, paragraphs 1 and 2.

In such a case the claim is limited to the amount by which the compensation due the claimant according to the existing legal provisions (articles 1325 to 1327 of the General Civil Code) is in excess of the amount which he may claim under this act.

**ART. 47.** The liability of the agent or representative of the employer, his superintendent or overseer or any other person, who intentionally caused the accident or caused it through negligence, is determined in accordance with the existing legal provisions.

If the insurance institution is required by this law to pay compensation because of a claim presented on account of the preceding liability (article 45), the insured person, or his survivors shall have a claim only to that amount by which the compensation arising out of the existing legal provisions exceeds that payable by the insurance institution as compensation under this law.

**GOVERNMENTAL SUPERVISION.**

**ARTICLE 48.** The governmental supervision of insurance institutions established in conformity with this act is vested in the minister of the interior and the officials of the state (Landesbehörde) in whose administrative district the seat of the institution in question is located. The minister of the interior is also required to grant the governmental sanction in every case in which it may be required under this act.

**INSURANCE COUNCIL (BEIRAT).**

**ARTICLE 49.** For the assistance of the minister of the interior in the duties devolving upon him by virtue of this act, a board of advisers shall be formed of experts (Fachmänner) in the field of manufacturing industry and in the agricultural and forestry occupations specified in article 1, paragraph 3, No. 2, and of technical experts and of insurance experts. The composition and extent of authority of the same shall be provided for by a special regulation issued as an ordinance. The advice of this council is particularly required before action is taken:

1. On the determination and alteration of the territory of the insurance institutions as well as the consolidation and division of such institutions (article 9);
2. On the publication of the regulations concerning the model constitution for insurance institutions (article 13);
3. On the issuance of the regulations concerning the classification of establishments subject to insurance with regard to risk and the determination of the percentages within each class (article 14);
4. On each appropriation from the reserve fund (article 15);
5. On the determination of the tariff for the first fiscal year (article 16, paragraph 3);
6. On the order for an increase or reduction in the tariff of an insurance institution (article 16, paragraph 4).



## COOPERATION OF THE PUBLIC ADMINISTRATIVE AUTHORITIES.

**ARTICLE 50.** The public administrative authorities (Politischen Behörden) are required to comply as far as possible with the requests of the insurance institutions established in conformity with this act, to give to these institutions their assistance and also to communicate to them unasked such information as may be important in the management of the affairs of the institution.

The insurance institutions are not authorized to seek representation through the finance procurator (die Vertretung durch die Finanzprokuratur in Anspruch zu nehmen).

## PENALTIES.

**ARTICLE 51.** In case the declarations required under articles 18, 19 and 27, the computations to be presented to the insurance institution in accordance with articles 21 and 27, or the information to be forwarded according to article 35, contain actually false statements, the employer who has made such declaration or forwarded such accounts or information shall, in so far as the deed does not come under the general criminal laws, be punishable with a fine of not less than 10 and not more than 1000 kronen [\$2.03 to \$203.00] and in case this is not paid, with imprisonment of from one day to three months.

**ART. 52.** Employers who fail to fulfill within the prescribed time any of the obligations under articles 18, 19, 21, 23, 27 and 35 relative to the transmittal of declarations, computations, reports, etc., or to the exhibition of accounts, shall be punished with a fine of not more than 200 kronen [\$40.60] or imprisonment of not more than twenty days.

The same holds in the case of persons required to present the report provided for in article 29 in case this is not presented at the proper time.

**ART. 53.** In case an establishment subject to insurance is conducted not by the proprietor himself but by a representative (business manager), the penalties designated in article 51 and article 52, paragraph 1, shall be imposed upon the latter. Nevertheless the proprietor shall still in this case be liable for the fine imposed.

**ART. 54.** Punishment for the violation of the law stated in articles 51 and 52 shall be in the hands of the public administrative authorities.

Fines paid for violation of the law shall go into the reserve fund of the institution in question.

## APPEAL.

**ARTICLE 55.** In so far as is not otherwise stated in this act, appeal against the decision of those public administrative authorities (politische Behörde) whose decisions are subject to appeal must be presented within fourteen days after the notification of the decision to which objection is made, to that authority which has in the first instance rendered the decision.

## EXEMPTION FROM FEES AND STAMP DUTY.

**ARTICLE 56.** All transactions and notifications connected with the founding and development of the legal relations between the insurance institution on the one side and the employer who is subject to insurance on the other, shall be exempt from fees and stamp-duty.

For the insurance institutions established according to this act, the provisions of the law of April 15, 1885 (Reichsgesetzblatt No. 51), are applicable.

Insurance contributions to be paid by the proprietors are not to be included in the tax assessment rolls of the establishment in question.

## EXCEPTED ESTABLISHMENTS—INSURANCE ASSOCIATIONS.

**ARTICLE 57.** If in any undertaking subject to insurance, there is an institution, by the officially approved constitution of which the persons therein employed, who are designated in article 1, are insured against injuries received in the course of their employment at least in the same measure as under this act, and in case the employer pays to this association at least as large a contribution as he must under this act pay for accident insurance, he is authorized to request that his enterprise or establishment be not included in the insurance institution to be organized in accordance with article 9.

The minister of the interior shall decide upon such requests after an examination of the association in question. The request shall be refused in case the property or the business management of the association is not such as to afford full security for the fulfillment of all obligations toward the insured.

**ART. 58.** In case a larger number of proprietors of establishments subject to insurance, whether these belong to the territory of one or several insurance institutions, unite their interests for the purpose of carrying out the accident insurance described under this act, through the establishment of a special insurance organization, the consent of the minister of the interior shall be granted after he has heard the insurance institutes affected thereby, and has secured the opinion of the insurance council designated in article 49, under the following conditions:

1. If the proposed constitution submitted for approval contains the provision that the persons subject to insurance who are employed in the establishment in question are insured against accidents occurring in the course of their employment in like measure as according to the provisions of this act, and are to be called on for contributions not higher than that imposed by this act;

2. If by the withdrawal of the petitioners' establishments from the union of the insurance institutions in question, the permanent financial efficiency of the latter does not appear to be endangered;

3. If the new insurance organization to be established by the petitioners affords in every respect full security for the fulfillment of the obligations toward the insured.

The constitution of the proposed insurance organization, which is subject to governmental approval, shall contain all the necessary provisions concerning the organization the internal management and business methods of such organization and in this connection the sense of the appropriate provisions of this act shall be applicable. It is nevertheless reserved for the minister of the interior to allow under special circumstances, deviations from these provisions.

**ART. 59.** The organizations designated in article 57, and the special insurance organizations founded in accordance with article 58, are under governmental supervision. In case it appears by a later inspection of such organizations as are mentioned in articles 57 and 58, that because of the condition of their assets and their business management they no longer afford full security for the fulfillment of obligations toward the insured, the minister of the interior is authorized to include, by ordinance, the establishments affected in the insurance institution of the district.

In case of accident the organizations designated in articles 57 and 58, shall be required to pay over at once to the insurance institution of the district the capitalized value of the pension due according to the constitution, to the insured person or his survivors, and all obligation for further payment of this pension thereby passes over to said institution. For the payment of the specified capitalized value, which is to be computed according to the actuarial principles in force in the insurance institution of the district, the employers in question shall be liable as bondsmen. The provisions of this paragraph do not apply to organizations connected with undertakings subject to insurance which are managed by the State.

#### REPORTS OF INSURANCE INSTITUTIONS.

**ARTICLE 60.** The insurance institutions founded in accordance with this act shall be required to present to the Minister of the Interior a report for every calendar year embracing the results of the accident statistics, the entire conduct of their business and particularly the amount and investment of their funds,

These reports, to which a statement is to be added concerning the management, the condition and the investment of the common reserve funds (article 15), shall be presented yearly in suitable form to the imperial legislature.

#### RELATIVE TO SICKNESS AND AID FUNDS AND TO PRIVATE INSURANCE COMPANIES.

**ARTICLE 61.** The claims of the insured upon miners' provident funds, sick, death, invalidity, and other aid funds and upon insurance organizations established otherwise than in accordance with this act, shall not be affected by this act. The same applies to the obligations of the commune and other corporations and to charitable institutions.

The only exception to this provision is in the case of such contracts as had been made before March 1, 1886, between a private insurance company and the proprietor of an establishment subject to insurance under this act, effecting insurance against accident of persons there employed, which insurance had not expired at the time when the obligation designated under article 1 became effective. In such contracts the insurance institution organized according to article 9 of the district in which the establishment in question is located or the insurance organization created, according to article 58, with which the employer in question is connected, takes the place of the employer and of the insured persons by virtue of the law according to the following rules: The insurance institution organized under this act shall pay to the private

company or society the premiums as they become due, during the unexpired period of the contract and in return therefor shall receive all sums which the private society is obligated to pay under the contract, in consequence of the occurrence of industrial accidents.

The provisions of the preceding paragraph apply only when the employer who has made the insurance contract in question gives notice of its existence within three months after this law goes into effect to the public authority of the first instance of the district where the establishment subject to insurance is located, and at the same time deposits the policy in question.

#### TRANSITIONAL PROVISIONS.

ARTICLE 62. The government is authorized to advance the funds necessary at first for the establishment of the insurance institution, according to article 9, and for the conduct of the same until the expiration of the first contribution period, as fixed in the constitution. This money shall be refunded by the insurance institution in question.

ART. 63. This law shall go into effect three months after its publication.

The date with which the effectiveness of the insurance designated in article 1 begins, shall be subsequently determined by the Minister of the Interior through administrative order.

The Minister of the Interior is authorized to make all investigations needed for the organization of the insurance institutions designated in article 9, and especially to request from the proprietors of establishments subject to insurance all requisite information.

#### EXECUTION OF THE LAW.

ARTICLE 64. The minister of the interior and the minister of justice, in agreement with other ministers concerned, are intrusted with the execution of this act.

#### LAW OF JULY 20, 1894, RELATING TO THE EXTENSION OF ACCIDENT INSURANCE.<sup>(a)</sup>

ARTICLE I. The enterprises mentioned below, in so far as they are not already subject to insurance under the law of December 28, 1887, on insurance of workmen against accidents, are subject to such obligation under this act:

1. All railway enterprises regardless of the kind of motive power employed;
2. All other enterprises which have for their object the transportation of persons or merchandise either by land or water, including inland navigation with the exception stated in article 2 of the law aforementioned regarding navigation enterprises which come under the maritime law;
3. Enterprises connected with dredging;
4. Enterprises having for their object the cleaning of streets and buildings (windows, roofs, etc.);
5. Industrial enterprises connected with warehousing—including storage houses and the storage of wood and coal as a wholesale business;
6. Enterprises connected with permanent theatres, whether they are in operation during the whole year or not, as far as concerns the workmen and administrative officials there employed as well as the actors;
7. Paid fire departments;
8. The digging of canals;
9. The sweeping of chimneys;
10. Operations connected with stonecutting, welldigging and construction work in iron and steel and similar classes of enterprises not hitherto included.

ART. II. The obligation of railroad enterprises in Austria (Article I, [1]) and other enterprises for land transportation (Article I [2]) to insure their workmen against accidents occurring in the course of their employment, shall be extended to include also workmen and administrative officials who are temporarily employed in the territory of the Hungarian crown or who are permanently employed on the connecting lines or in frontier stations; nevertheless this obligation shall not be imposed if the persons mentioned are already insured against industrial accidents in virtue of the legislation of another state.

In enterprises connected with inland navigation subject to the obligation of insurance under Article I, [2], the obligation of insurance shall extend, in conformity with

the following provisions, to all enterprises which have either their seat or a permanent representative within the domain subject to this law, and whose vessels navigate either regularly or occasionally in Austrian territory.

Workmen and administrative officials of these enterprises are insured:

(a) Against consequences of industrial accidents which occur within the domain subject to this law or on boundary waters, and

(b) If they are employed on the vessels which ply between Austria and Hungary or a foreign country, they shall be insured against injuries sustained in accidents occurring outside of the domain subject to this law if the accident occurred in the course of their voyage.

The obligation to insure does not apply to persons designated under b if they are already insured against industrial accidents under the legislation of another state.

The procedure for the determination of the right to compensation for an accident sustained by the insured person, if said accident occurred in the territory of the Hungarian crown or in a foreign country, shall be established by administrative order.

Affiliation with one of the insurance institutions established according to the law of December 28, 1887, is, as far as concerns the enterprises coming under Article I, [1] and [2], determined by the headquarters of the enterprise or of its permanent representative.

In case the law aforementioned provides for the intervention of the public authority of the first instance of the district in which this establishment or its permanent headquarters are located, said public authority of the first instance shall require the insurance of the aforementioned establishments.

ART. III. The delay allowed to proprietors of existing establishments belonging to one of the classes mentioned in Article I, [1] to [10], for the declarations prescribed by article 10 of the law of December 28, 1887, concerning workmen's insurance, as well as the date at which the obligation of insurance begins for these establishments, shall be determined by ordinance issued by the Minister of the Interior.

ART. IV. Contracts concluded before November 1, 1893, between a private insurance company and the proprietor of an establishment subject to insurance under this act, concerning the insurance of persons therein employed against industrial accidents, in case said contract has not expired at the time when the insurance here mentioned goes into effect, shall not be subject to the provisions of article 61, paragraph 2, of the law of December 28, 1887 (Reichsgesetzblatt No. 1 of 1888), provided, however, that within three months after this law goes into effect, the existence of the contract in question is made known and the policy is presented by the proprietor of said establishment, to the public authority of the first instance of the district within which the establishment subject to insurance or the enterprise connected with navigation or the permanent headquarters of the same are located.

ART. V. Proprietors of establishments subject to the obligation of insurance are permitted to insure against accidents according to the provisions of the law of December 28, 1887, with the insurance institutions to which the establishment belongs, themselves, their agents or representatives and persons who, without being subject to insurance are exposed to danger in the establishment.

Whoever makes use of this privilege must, in giving notice to the insurance institution, state approximately for each person insured, an amount of earnings not exceeding 2,400 kronen [\$487.20], which shall serve as the basis for calculation of the proprietor's contribution and that of the compensation to be paid by the insurance institution.

The right of the employer to charge up against the insured agents, representatives and others not subject to insurance but who are nevertheless insured, a share of the contribution as a part of their wages or salary or to withhold the same from their wages or salary, depends upon the agreement made between the employer and the insured.

The provisions of article 17 and of article 22, paragraphs 2, 3 and 4, of the law of December 28, 1887 (Reichsgesetzblatt No. 1 of 1888), do not apply to the contributions to be paid for this insurance.

The declarations prescribed by article 18 of the same law, and the accounts which must be forwarded to the insurance institution under article 21, apply as well to persons not subject to insurance who are nevertheless insured.

The insurance commences at the date when the declaration is received by the insurance institution, and ceases at the date of the declaration of withdrawal; nevertheless the period shall not be less than six months.

ART. VI. Proprietors whose establishments are not subject to insurance are authorized to insure against industrial accidents with the insurance institution of the district in which the establishment is located, themselves, their workmen and administrative officers and other persons mentioned in Article V.

An establishment voluntarily insured is subject to all the provisions of the law of December 28, 1887, excepting articles 17, 22 (paragraphs 2, 3 and 4), and 61 (para-



graphs 2 and 3), provided that the right of the proprietor to withhold a part of the insurance contribution from the wages or salary of the insured, shall depend upon the private arrangement between the employer and the insured.

The insurance shall be contracted collectively for all the workmen and administrative officers employed in the establishment in question. It shall begin at the date of the receipt of the declaration and shall cease at the date of notice of withdrawal; nevertheless it shall not be for a shorter period than six months.

The employer and persons designated under Article V are subject to the provisions of that article.

The Minister of the Interior is intrusted with defining by ordinance, classes of risk for establishments insured in this manner, and the enrolling of each establishment in a class with indication of the proper percentage within the class shall be attended to by the insurance institution under article 18 of the law aforementioned, subject to appeal as provided for in that law.

For establishments for which a class of risk has not been determined by ordinance, the assignment to a class and grade is made by the competent insurance institution subject to governmental approval.

Associations of volunteer firemen and groups of such associations are authorized to insure their active members collectively against accidents sustained in the service, with the insurance institution of the district where the association or group of associations is located. Volunteer firemen insured in this manner are subject to the provisions with respect to corps of regularly employed firemen (Article I, [7]). The formulation of these provisions and especially the grading of firemen in classes of risk shall be made by the Minister of the Interior through ordinance.

ART. VII. The provisions of article 6, paragraphs 5 and 6, and of article 16 of the law concerning accident insurance in accordance with which for the reckoning of compensation or the insurance contribution respectively, the yearly earnings of a workman or an administrative official are regarded as equal to three hundred times the average daily earnings and are limited to 2,400 kronen [\$487.20], do not apply to persons insured by railways under Article I, [1], or under Article V, as the case may be.

These persons shall be insured on the basis of their entire annual earnings, including variable amounts (mileage, hourly rates, etc.), but in case such entire annual earnings are less than the wages assumed as a basis of calculation under the law for accident insurance, they shall be insured on the basis of the last-named sum.

The contributions of the aforementioned persons are to be paid exclusively by the employer.

Railway employees who are insured either under Article I, [1], or Article V, and government employees insured according to Article V, who, under the conditions of the road's charter or other existing regulations, are entitled to free transportation, are not under the application of the provisions of the law of March 5, 1869 (Reichsgesetzblatt No. 27), if under this act they have a right to compensation apart from the provisions of articles 46 and 47, of the law concerning accident insurance.

Nevertheless, in case the aforementioned persons or their survivors have a right to claim compensation under the law of March 5, 1869 (Reichsgesetzblatt No. 27), the pension provided for the injured person by the accident insurance law shall be increased one-half and in case of permanent disability it shall be increased still more according to circumstances; nevertheless it shall not be more than double the amount provided for by the insurance law, that is, 120 per cent of the full annual earnings. The pension allowed to dependents shall be increased two-thirds.

ART. VIII. The application of the provisions of Article I, [1], and Article VII to the Hungarian or foreign railway administrations within the scope of this law shall be regulated by ordinance.

ART. IX. The provisions of article 59, paragraph 2, of the accident insurance law, do not apply to those insurance organizations founded under this act in which more than 50,000 persons are insured.

ART. X. This law shall take effect from the day of its promulgation.

The Minister of the Interior and the Minister of Justice in agreement with other ministers concerned are intrusted with the execution of this law.

## BELGIUM.

### ACT OF DECEMBER 24, 1903, RELATING TO COMPENSATION FOR INJURIES CAUSED BY INDUSTRIAL ACCIDENTS.<sup>(a)</sup>

#### CHAPTER I.—*Compensation.*

ARTICLE 1. Compensation for damages caused by accidents met with by workmen of establishments enumerated in art. 2, in the course of and as a result of fulfilling the labor contract governed by the act of March 10, 1900, shall be regulated according to the provisions of the present act.

Apprentices, even when receiving no wages, as well as salaried employees who are exposed to the same risks as workmen because of direct or indirect participation in the work, and whose annual salary fixed by contract does not exceed 2400 francs [\$463.20], shall be included with workmen for the purposes of this law.

Until proven otherwise an accident which has occurred in the course of fulfilling a labor contract is assumed to have been caused through fulfilling it.

ART. 2. The following private or public establishments are subject to this act:

I. Mines, surface-mines, quarries, coke-ovens, manufacturing of coal briquets; ovens and workshops for dressing ores and quarry-products;

Blast furnaces, steel works, mills for producing and working over iron and other metals; smelteries;

Machinery construction and metal works, forges, iron foundries, locksmith and stove shops; the working of metals; the manufacture of bolts, nails, screws, chains, wire, cables, fire-arms, knives, and other metal implements or hardware;

Plate-glass, glass, cut glass and hollow glassware factories; the manufacture of ceramic products;

Manufacture of chemical products, gas and its by-products, explosives, matches, oils, candles, soaps, paints and varnishes, india-rubber and paper;

Tanneries and currying plants;

Flour mills; breweries, malt-houses, distilleries; manufacture of artificial mineral waters; sugar factories;

Masonry, carpentry, painting and other branches of the building trades; chimney sweeping, earth-works, well-digging, paving, highway construction and other civil engineering works;

Forestry establishments;

Establishments for land transportation of persons and goods; establishments for inland navigation, tracking, towing and dredging; warehouses for packing, loading and unloading; the operation of telegraphs and telephones;

Establishments, the running of which involves the use of steam, air, gas or electricity, the tension of which exceeds the limit to be fixed by a royal decree;

And, in general, establishments where machinery run by other than human or animal power, is used otherwise than temporarily.

II. Industrial establishments, not comprised under the heads above enumerated, in which at least five workmen are usually employed;

Agricultural establishments in which at least three workmen are usually employed;

Mercantile shops in which at least three workmen are employed.

III. Establishments, not above mentioned, which, upon the advice of the Industrial Accident Commission, shall be declared, by a royal decree, as dangerous in character.

ART. 3. Heads of the establishments or of branches of the establishments not specified in article 2, are permitted to comply with the provisions of this act.

In such a case they must make a special declaration to that effect for which a receipt will be duly issued to them at the office of the justice of the peace of the locality in

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<sup>a</sup> Annuaire de la Législation du Travail, 1903, pp. 95-112, Publié par l'Office du Travail de Belgique, Bruxelles, 1904.



which the establishment is situated. In case the undertaking consists of several distinct establishments situated in different judicial districts, the declarations shall be made at each of the respective offices of the justices of the peace.

As regards establishments subject to the act of June 15, 1896, concerning shop rules, mention of the declaration shall be inserted in such shop rules worded and posted in compliance with the aforesaid act. Otherwise, the declaration is not valid, unless it be proven that it was known to the workman prior to his being employed. The fact of his knowledge thereof may be proven by all legal methods.

ART. 4. In case the accident has caused temporary total incapacity for work for over a week, the injured person shall be entitled, beginning with the day following the accident, to a daily compensation amounting to 50 per cent of his average daily wage.

In case the temporary disability is or becomes partial, the compensation shall amount to 50 per cent of the difference between the injured person's wages before the accident and those which he is able to earn before complete recovery.

In case the disability is or becomes permanent, an annual allowance of 50 per cent, determined by the degree of disability, as stated above, shall replace the temporary compensation, commencing with the day on which either by the agreement of the parties or by a final decision, the permanent character of the disability has been established. At the expiration of the term of revision provided by article 30, the annual allowance shall be supplanted by a life pension.

ART. 5. During the first six months the employer shall, under the following provisions, meet the cost of medical services and drugs incurred by reason of accidents.

In case the employer has established a medical and pharmaceutical service entirely at his own cost and has made mention thereof in a special clause of the shop rules, the injured person shall have no choice of physician and druggist; this shall also apply in case when, in default of shop rules, the parties have agreed by special stipulation in the labor contract to have the service established by the employer.

In other cases the injured person shall have the choice of a physician and druggist, but the employer shall be required to pay only the amount stipulated in the contract at the scale of rates established by royal decree.

The compensation for medical and pharmaceutical expenses may be paid to those who have defrayed them. The persons to whom the amount of these expenses is due have a right of action directly against the employer.

ART. 6. In case an accident has caused the death of the injured person the following compensation shall be granted:

1. The sum of 75 francs [\$14.48] for funeral expenses. The last paragraph of art. 5 applies to this compensation.

2. An amount representing the value of a life pension equal to 30 per cent of the annual wages as computed on the basis of the age of the injured person at death.

This amount is granted exclusively to the following persons:

A. To a consort, neither divorced nor separated, provided the marriage antedates the accident; a widower, however, is entitled to compensation only in case the deceased was his support.

B. To legitimate children, born or conceived prior to the accident, and to illegitimate children, if acknowledged prior to the accident, provided that they are under sixteen years of age.

C. To grandchildren, under sixteen years of age, and also to relatives in the ascending line who were dependent on the deceased.

D. To brothers and sisters, under sixteen years of age, who were dependent on the deceased.

A consort shall be entitled to but three-fifths of the amount of compensation in case there are several children; to four-fifths in case either one child or one or several of the beneficiaries of the other classes survive.

Children shall have precedence over the beneficiaries of the classes C and D; beneficiaries of class C shall exclude those of class D. Beneficiaries of the same class shall share in equal parts. In case no consort survives the grandchildren are cobeneficiaries with the children; but the distribution of the total amount shall be *per stirpes*.

The shares of consort and relatives in the ascending line shall be converted into life pensions.

The shares of other beneficiaries shall be converted into temporary pensions which cease in every case at the age of sixteen years. Upon petition from any interested party, however, the justice may, having first heard or summoned the parties, order another method of investing the capital; he may also, under the same conditions, equitably modify the distribution of the amount among the beneficiaries summoned concurrently.

**ART. 7.** The injured person or the surviving beneficiaries may demand that no more than one-third of the value of the life pension be paid to them in cash.

After having heard or duly summoned the employer the justice shall decide to the best interests of the petitioners.

In case of partial permanent disability, the justice may also, by the same procedure, order upon application of any interested party that the value of the pension be fully paid out in cash to the injured person, provided the annual amount of the pension is less than 60 francs [\$11.58].

The value of the life pension shall be computed according to the table approved by royal decree and previously laid before the Industrial Accident Commission for its consideration.

**ART. 8.** The wages serving as a basis for computing the amount of compensation shall be the actual wages received according to contract by the workman during the year preceding the accident in the establishment where the accident occurred.

For workmen who have been employed in an establishment for less than a year, the actual wages received plus the average wages of workmen of the same class paid during the remainder of the year, shall be taken to equal the annual wages.

In case an establishment runs but for a regular season of the year, the computation of the compensation shall be made by taking into account both the amount earned during the working season and all the earnings of the workman during the remainder of the year.

In case the annual salary exceeds the amount of 2,400 francs [\$463.20], the excess shall not be taken into consideration in fixing the amount of compensation.

In case of apprentices and workmen under sixteen years of age, the wages taken as a basis shall never be smaller than those of the lowest paid workmen of the same occupational group; they shall in no case be taken at less than 365 francs [\$70.45] per annum.

The average daily wage shall be obtained by dividing by 365 the amount of annual wages determined according to the preceding provisions.

**ART. 9.** For certain industries the government may, after having consulted the proper sections of the Councils of Industry and of Labor, order that a standard wage should be fixed in accordance with the average annual wages earned during a period not exceeding ten years prior to the accident.

**ART. 10.** The burden of the compensation fixed in the foregoing sections shall be borne by the employer exclusively.

He may, however, be released from this charge without prejudice to what is said in article 11, if he makes a contract for the payment of said compensation with either an insurance company licensed under the provisions of Chapter II of this act, or with a mutual insurance fund organized in pursuance of article 35. In such case, the insurer assumes all the obligations of the employer.

In case of failure to make a contract as stated above, and without prejudice to the other obligations under this act, the private employers shall be required to contribute to the special fund established under article 20; they may, however, be released therefrom by a ministerial decree, upon the recommendation of the Industrial Accident Commission, in case they have guaranteed the payment of benefits, if any, under conditions and in a manner to be prescribed by royal decree.

**ART. 11.** The employers or their insurers may arrange with mutual aid societies recognized by the government, to have them assume the payment of compensation, due to the members in case of incapacity for work, for not over six months after the accident, on the condition, however, that it be proven:

(1) That the persons liable for this compensation bear a share in the assessment of the mutual aid societies. This share, determined by mutual agreement, shall not be less than one-third.

(2) That the societies concerned furnish the same benefits to their members in case of sickness as in case of injury.

In case the daily benefit given by a society is less than the compensation due under this act, the employer shall make good the difference.

A royal decree shall regulate the conditions under which the mutual aid societies may undertake to issue benefits in lieu of temporary compensation.

**ART. 12.** The temporary compensation shall be payable on the same days as wages; annual allowances and pensions shall be paid in four quarterly installments; funeral expenses shall be paid within a month after death.

**ART. 13.** The compensation due under this act to persons injured in accidents or to surviving beneficiaries cannot be assigned nor levied except for obligations incurred for necessities of life.

CHAPTER II.—*Guarantees and insurance.*

ART. 14. With the exception of cases provided in article 16, the employer shall deposit the capitalized value of the pension, according to the scale mentioned in article 7, either in the general savings and retirement fund, or in any other institution licensed to sell pensions. A royal decree shall fix the conditions required for such licensing which can be granted by the government only upon the advice of the Industrial Accident Commission.

The capital shall be deposited:

In case of the workman's death, within a month after an agreement between the interested parties has been reached; or, in default of such an agreement, within a month after the final decision;

In case of permanent disability, within a month after the expiration of the term for revision, provided by article 30.

The institutions which undertake to pay the pension may, however, at their own responsibility, grant an extension of time to the employers.

These institutions shall, in such cases, be held responsible in all actions and for all claims of the injured person and his surviving beneficiaries.

ART. 15. The claim of a person injured in an accident or of the surviving beneficiaries shall be guaranteed by a lien which ranks immediately next to those enumerated in sections 4 and 4 bis of article 19 of the act of December 16, 1851, concerning preferences and mortgages.

ART. 16. An employer may be released from paying the capitalized value of the pension provided he proves:

That he has transferred his obligations to an insurer conformably with article 10. This transfer carries with it also the exemption from the lien fixed by article 15;

Or, provided he has guaranteed the payment of the pension by depositing, conformably with the conditions to be fixed by royal decree, in the suitor's fund [*Caisse des dépôts et consignations*], or in the general savings and superannuation fund, securities of a value sufficient to guarantee the final settlement of the capitalized value of the pension which was not paid.

He may also be released from paying the capitalized value of the pension if the final settlement of the capitalized value of the pension or the proper payment of the pension has been guaranteed by a mortgage or security declared by the justice of the peace to be sufficient, after the injured person or his legal successors have been heard or duly summoned. This decision shall be subject to appeal.

The decision shall specify the real estate covered by the mortgage, the object of the security and the amount recoverable under such mortgage.

The justice may also declare that under the security in question the entry of the mortgage, on either property or usufruct, in the Public Debt Register, is a sufficient guarantee.

The registries and attachments shall be demanded upon the judgment by the registrar, or by the King's attorney or by the person injured or the surviving beneficiaries.

Article 32 shall apply to deeds under this provision.

ART. 17. Mutual accident insurance funds established by employers, as well as insurance companies with fixed premiums, which will conform to the regulations to be fixed by royal decree, shall be authorized to carry out the provisions of this act.

The authorized insurance institutions shall be required to deposit the reserves or securities under conditions to be fixed by the regulations.

The amount of the reserves or securities shall be appropriated, by preference, for the payment of compensation.

No forfeiture clause can be applied against the claimants for compensation or the surviving beneficiaries by the authorized insurance institutions.

ART. 18. The authorization shall be granted and revoked by the Government, after consultation with the Industrial Accident Commission.

The royal decrees on authorization and revocation shall be published in the *Moniteur*.

The list of authorized companies shall be published in the *Moniteur* every three months.

ART. 19. The mutual accident insurance funds authorized under art. 17, shall enjoy the judicial rights and privileges granted under act of March 28, 1868, to the miners' mutual provident funds, recognized by the Government.

The constitution of the mutual funds may provide that for a period not longer than six months after the accident the compensation for disability for work shall be paid to the injured person directly by the employer or by some local fund, acting upon his order, but always under the guarantee of the mutual fund in question.

**ART. 20.** There shall be established, under the name of a guarantee fund, an insurance fund against the insolvency of employers; the object of this fund shall be to provide for the payment of compensation due in case of accident, when the employer is unable to meet the obligations incumbent upon him.

The fund shall be attached to the suitor's fund. [Caisse des dépôts et consignations.]

The intervention of this fund is dependent upon a previous ascertainment of the failure of the employer or his insurer, if any, to meet their obligations. This ascertainment must be made by the justice of the peace in due form to be determined by royal decree.

The fund shall have the right to bring actions against defaulting debtors; it is subrogated to the rights, actions and preferences of injured persons or the surviving beneficiaries both with regard to the employers and third parties.

Action against employers shall be had by a writ of attachment as in the case of collecting direct taxes.

The guarantee fund is sustained by assessments upon those private employers who, upon the enquiry of the board of direct taxes, have not proven to have either made an insurance contract conformably with paragraph 2 of article 10, or to have obtained the release as per paragraph 3 of the same article. A royal decree shall fix the form of declaration and other formalities necessary with a view to establishing this proof.

The amount of assessments shall be fixed by royal decree upon consultation with the Industrial Accident Commission.

The preparation of the list of compulsory contributors, the consideration of their appeals, and the collection of the dues, if necessary by a writ of attachment, shall follow the same methods as in the case of collecting direct taxes.

### CHAPTER III.—*Civil liability.*

**ART. 21.** There shall be no change whatever in the general provisions regarding civil liability in case the accident has been brought about intentionally by the employer.

With this exception, all damages caused by industrial accidents and chargeable to the employer shall entitle the injured person or his surviving beneficiaries only to that compensation, at the expense of the employer, which is established by this act.

The damages shall in no case be added to the amount of such compensation.

Independently of any action under the present act, the injured person and his surviving beneficiaries shall retain the right to claim damages, under the general provisions of the law, for injuries caused, from persons who were responsible for the accident other than the employer or his workmen and overseers; in such case the employer shall be released from his obligations to the amount of the damages thus granted.

An action against third parties responsible may even be brought, at his own risk, by the employer instead of the injured person or his legal successors, in case the latter fail to avail themselves of this right.

**ART. 22.** No compensation provided under this act shall be due in case the accident has been brought about intentionally by the person injured.

No compensation shall be due to such of the surviving beneficiaries who have intentionally brought about the accident.

**ART. 23.** Any agreement contrary to the provisions of this act shall be null and void.

### CHAPTER IV.—*On reports of accidents and on jurisdiction.*

**ART. 24.** Every accident met with by a workman in the course of his employment, which has caused or is likely to cause either the workman's death or incapacity for work must be reported within three days by the employer or his representative, without prejudice to the other information required by the statutes and regulations.

The report shall be made in writing to the labor inspector, as well as to the office of the clerk of the justice of the peace, or of the arbitration commission having jurisdiction according to article 26. The report shall state the nature and circumstances of the accident; the name of the insuring institution with which the employer has made the contract if there be any. A royal decree shall, moreover, regulate the form and the conditions of the report as well as the cases in which a medical certificate, at the expense of the employer, shall be added.

The report of the accident may also be made in the same form by the injured person or the surviving beneficiaries.

An acknowledgement of the receipt of the report shall in each case be sent by the clerk to the person making such report.



If it appears from the report that the employer does not consider the reported case as one falling under the provisions of the present act, particularly because of the circumstances in the case, or of the rank of the injured person, the labor inspector shall make an inquiry into the causes of the accident. When an inquiry has been instituted under the present provision or under other labor laws and regulations, the official report on the inquiry must be forwarded by the inspector to the office of the clerk of the proper jurisdiction.

The parties shall have a right to examine or transcribe at their own expense the accident report, the medical certificate thereto appended, and the inspectors' report of the inquiry, if any, at the office of the clerk of the court.

ART. 25. Employers or their representatives violating the provisions of the preceding article shall be subject to a fine of from 5 to 25 francs [97 cents to \$4.83].

With regard to investigating and establishing violations, as well as with regard to inquiries into the circumstances of accidents, the labor inspectors are vested with powers conferred upon them by the acts of May 5, 1888, and of April 11, 1896, and the penalties provided for by these laws shall be imposed upon the employers or their representatives interfering with them in the exercise of their duties.

In case of infractions, the inspectors shall draw up official reports which shall be admitted as *prima facie* evidence until rebutted. A copy of this report shall be forwarded to the offender within 48 hours, in default of which it shall be void.

ART. 26. The justice of the peace of the district in which the accident has occurred shall alone have jurisdiction in actions concerning compensation due to a workman or his surviving beneficiaries under this act; also in suits for the revision of compensation; he decides as a court of the last instance in cases up to the amount of 300 francs [\$57.90], and as one of the first instance, however high the claim. In case the accident has happened abroad, the territorial jurisdiction of the justice of the peace is determined as in the matter of personal property.

As far as establishments affiliated with the approved mutual insurance funds are concerned the constitutions of these funds may provide that the settlement of disputes shall be entrusted to an arbitration commission, which shall either render a final decision or with provision for appeal to a court of the first instance of the district where the fund is situated, according to the rules of the preceding paragraph. This provision shall be brought to the attention of the workmen in a manner to be determined by the constitution.

The arbitration commission shall be composed of a magistrate as chairman, appointed for the purpose by the first president of the Court of Appeals, and of equal numbers of employers and workmen. The organization of the commission and the procedure of arbitration shall be determined in the constitutions in conformity with the provisions of the Regulations provided for in art. 17 of the present act.

ART. 27. Even in case of subrogation provided by art. 10, paragraph 2, of the present act, a workman or his surviving beneficiaries still retain the right to bring action against the employer directly, which does not interfere with the right of the latter to sue the insurer.

The injured person or his surviving beneficiaries shall have in all cases the right of direct action against the insurer, even if it be unauthorized; their claim has preference over whatever he may owe the employer by reason of insurance.

All the ordinary rules of jurisdiction shall remain unchanged in so far as actions against non-authorized insurers are concerned.

ART. 28. The parties shall have the right to appear voluntarily before the justice of the peace to state their consent regarding the compensation to be paid as a result of the accident.

The official report stating this consent shall take the form of an executive order.

ART. 29. In case there is no cause for final judgment the justice shall still have the right even *ex officio*, to make provision for the injured person or his surviving beneficiaries in the form of a daily allowance.

Judgments granting temporary or life compensation shall be enforceable, provisionally, in spite of appeal and without the necessity of furnishing security. In case of a life pension, however, of which the capitalized value may be required, the justice shall confine the provisional execution to enforcing the term payments; in the latter case the justice may demand security from the employer in case the latter has not transferred his obligations to an insurer.

In case of an enforced judgment, when the capitalized value of the pension must be deposited, the justice may, on application of any interested party and even *ex officio* appoint a trustee *ad hoc* charged with the duty to effect such a deposit by means of funds recovered.

ART. 30. Action in connection with the payment of compensation under this act is barred by limitation after three years.

An application for revision of compensation, based on the aggravation or diminution of disability of the injured person or upon the death of the same in consequence of the accident may be filed within three years following the agreement of the parties or the final judgment.

ART. 31. A suit in connection with the payment and revision of compensation under the present act can in no case be tried before a criminal court; the procedure is independent of the public action to which an accident may eventually lead.

#### CHAPTER V.—*Fiscal provisions.*

ARTICLE 32. All voluntary agreements and acts of voluntary jurisdiction in connection with the enforcement of the present act shall be exempt from stamp and registry fees, and are registered free of charge, in case such formality is required.

ART. 33. All certificates, notarial and other documents, which may be required for the enforcement of the present act by the general savings and superannuation fund, and by the licensed mutual insurance funds, shall be furnished free of charge.

#### CHAPTER VI.—*General and transitory provisions.*

ARTICLE 34. A technical committee attached to the ministry of industry and labor, and known as the Industrial Accident Commission, shall be appointed by royal decree. It shall consist of eleven members, of whom at least two shall be actuaries, one physician, one representative of the employers and one representative of the workmen, both of whom shall be elected by the Superior Council of Labor.

Independently of the duties which devolve upon it under the present act, the commission shall deliberate on all questions referred to it by the minister concerning compensation for damages resulting from industrial accidents.

ART. 35. The general savings and superannuation fund is hereby authorized to carry on the operations of accident insurance provided by the present act.

The general conditions as well as the tariffs of rates for such insurance shall be approved by royal decree.

ART. 36. Insurance policies covering the risks of industrial accidents in establishments subject to the said act which have been issued previous to the going into effect of this law may be cancelled by either insurer or insured, within a year after its taking effect, by means of a written declaration of which receipt is acknowledged, or by means of an extrajudiciary act.

This cancellation shall become effective only after the act has taken effect, unless an agreement to the contrary exists; it shall not entitle to any indemnity whatever.

ART. 37. The present act shall take effect six months after the publication of the last of the royal decrees necessary for the regulation of its enforcement.

These decrees shall be issued within a year after the promulgation of this act.

ART. 38. With regard to industrial accidents occurring after the present act has taken effect, the miners' mutual provident funds governed by the act of March 28, 1868, shall enjoy the privilege of authorization provided by art. 17, under the following conditions:

1. The funds must be recognized by the government and their constitutions must be revised and submitted to it for approval;

2. The funds must continue paying pensions or annuities due in consequence of accidents which occurred prior to this act taking effect;

3. The constitutions must embody the following provisions:

(a) The subsidies or assessments for the compensation of industrial accidents are to be borne exclusively by the employers;

(b) The funds provide for the payment of compensation and of pensions in cases provided under the present act;

(c) Their management and their accounts are kept separately from that of invalidity and old age pensions and benefits;

(d) The funds deposit the reserves, guaranties or securities determined by royal decree;

(e) The amounts of compensation shall not fall below those provided by the present act; in case of fatal accidents, however, their constitutions may provide for the payment of compensation in a manner different from that prescribed by art. 6, but the sum total of the compensation must not fall below that granted under said article; the constitutions may also embody the provision of paragraph 2, article 19;

(f) The constitutions shall determine the conditions under which an employer may withdraw from membership.

The constitutions may provide that the settlement of disputes over compensation shall be proceeded with in accordance with paragraph 2, art. 26.



The permanent commission of miners' provident funds shall be appointed by royal decree.

The Government shall consult with this commission in the exercise of the powers which this article confers upon it and particularly in regard to examining the constitution.

ART. 39. The Government shall present to the chambers triennial reports concerning the enforcement of the present law.

*Additional provision.*

ART. 40. The first two phrases of paragraph 1 of article 3 of the act of March 28, 1868, are replaced by the following provision:

The right to contract for, dispose of, and acquire property, to sue and be sued in the courts, under the restrictions, if any, provided by royal decree.

## **BRITISH COLUMBIA.**

### **WORKMEN'S COMPENSATION ACT, 1902.<sup>(a)</sup>**

1. This act may be cited as the "Workmen's Compensation Act, 1902."

2. (1) If in any employment to which this act applies personal injury by accident arising out of and in the course of the employment is caused to a workman, his employer shall, subject as hereinafter mentioned, be liable to pay compensation in accordance with the first schedule to this act:

(2) Provided that—

(a) The employer shall not be liable under this act in respect of any injury which does not disable the workman for a period of at least two weeks from earning full wages at the work at which he was employed:

(b) When the injury was caused by the personal negligence or wilful act of the employer, or of some person for whose act or default the employer is responsible, nothing in this act shall affect any civil liability of the employer, but in that case the workman may, at his option, either claim compensation under this act or take the same proceedings as were open to him before the commencement of this act; but the employer shall not be liable to pay compensation for injury to a workman by accident arising out of and in the course of the employment both independently of and also under this act, and shall not be liable to any proceedings independently of this act, except in case of such personal negligence or wilful act as aforesaid:

(c) If it is proved that the injury to a workman is attributable solely to the serious and wilful misconduct or serious neglect of that workman, any compensation claimed in respect of that injury shall be disallowed.

(3) If any question arises in any proceedings under this act as to the liability to pay compensation under this act (including any question as to whether the employment is one to which this act applies), or as to the amount or duration of compensation under this act, the question if not settled by agreement shall, subject to the provisions of the first schedule to this act, be settled by arbitration in accordance with the second schedule to this act.

(4) If, within the time hereinafter in this act limited for taking proceedings, an action is brought to recover damages independently of this act for injury caused by any accident and it is determined in such action that the injury is one for which the employer is not liable in such action, but that he would have been liable to pay compensation under the provisions of this act, the action shall be dismissed; but the court in which the action is tried shall, if the plaintiff shall so choose, proceed to assess such compensation, and shall be at liberty to deduct from such compensation all the costs which, in its judgment, have been caused by the plaintiff bringing this action instead of proceeding under this act. In any proceeding under this subsection, when the court assesses the compensation it shall give a certificate of the compensation it has awarded and the directions it has given as to the deduction for costs, and such certificate shall have the force and effect of an award under this act.

(5) Nothing in this act shall affect any proceedings for a fine under the enactments relating to mines and other industries, or the application of any such fine, but if any such fine, or any part thereof, has been applied for the benefit of the person injured, the amount so applied shall be taken into account in estimating the compensation under this act. (60 and 61 Vict. (Imp.), 1897, c. 37, s. 1.)

3. (1) Proceedings for the recovery under this act of compensation for an injury shall not be maintained unless notice of the accident has been given as soon as practicable after the happening thereof, and before the workman has voluntarily left the employment in which he was injured, and unless the claim for compensation with respect to such accident has been made within six months from the occurrence of

the accident causing the injury, or in case of death, within six months from time of death: Provided always, that the want of, or any defect, or inaccuracy in, such notice shall not be a bar to the maintenance of such proceedings, if it is found in the proceedings for settling the claim that the employer is not prejudiced in his defense by the want, defect or inaccuracy, or that such want, defect or inaccuracy was occasioned by mistake or other reasonable cause.

(2) Notice in respect of an injury under this act shall give the name and address of the person injured, and shall state in ordinary language the cause of the injury and the date at which it was sustained, and shall be served on the employer, or, if there is more than one employer, upon one of such employers.

(3) The notice may be served by delivering the same to or at the residence or place of business of the person on whom it is to be served.

(4) The notice may also be served by post, by a registered letter addressed to the person on whom it is to be served at his last known place of residence, or place of business, and if served by post shall be deemed to have been served at the time when the letter containing the same would have been delivered in the ordinary course of post; and in proving the service of such notice it shall be sufficient to prove that the notice was properly addressed and registered.

(5) Where the employer is a body of persons, corporate or incorporate, the notice may also be served by delivering the same at, or by sending it by post in a registered letter addressed to the employer at the office, or, if there be more than one office, any one of the offices of such body. (60 and 61 Vict. (Imp.), 1897, c. 37, s. 2.)

4. (1) If the attorney-general, after taking steps to ascertain the views of the employer and workmen, certifies that any scheme of compensation, benefit, or insurance for the workmen of an employer in any employment, whether or not such scheme includes other employers and their workmen, is on the whole not less favorable to the general body of workmen and their dependents than the provisions of this act, the employer may, until the certificate is revoked, contract with any of those workmen that the provisions of the scheme shall be substituted for the provisions of this act, and thereupon the employer shall be liable only in accordance with the scheme, but, save as aforesaid, this act shall apply notwithstanding any contract to the contrary made after the commencement of this act.

(2) The attorney-general may give a certificate to expire at the end of a limited period not less than five years.

(3) No scheme shall be so certified which contains an obligation upon the workman to join the scheme as a condition of their hiring.

(4) If complaint is made to the attorney-general by or on behalf of the workmen of any employer that the provisions of any scheme are no longer on the whole so favorable to the general body of workmen of such employer and their dependents as the provisions of this act, or that the provisions of such scheme are being violated, or that the scheme is not being fairly administered, or that satisfactory reasons exist for revoking the certificate, the attorney-general shall examine into the complaint, and, if satisfied that good cause exists for such complaint, shall, unless the cause of complaint is removed, revoke the certificate.

(5) When a certificate is revoked or expires any moneys or securities held for the purpose of the scheme shall be distributed as may be arranged between the employer and workmen, or as may be determined by the attorney-general in the event of a difference of opinion.

(6) Whenever a scheme has been certified as aforesaid, it shall be the duty of the employer to answer all such inquiries and furnish all such accounts in regard to the scheme as may be made or required by the attorney-general. (60 and 61 Vict. (Imp.), 1897, c. 37, s. 3.)

5. Where, in an employment to which this act applies, the undertakers as hereinafter defined contract with any person for the execution by or under such contractor of any work, and the undertakers would, if such work were executed by workmen immediately employed by them, be liable to pay compensation under this act to those workmen in respect of any accident arising out of and in the course of their employment, the undertakers shall be liable to pay to any workmen employed in the execution of the work any compensation which is payable to the workman (whether under this act or in respect of personal negligence or wilful act independently of this act) by such contractor, or would be so payable if such contractor were an employer to whom this act applies: Provided that the undertakers shall be entitled to be indemnified by any other person who would have been liable independently of this section. This section shall not apply to any contract with any person for the execution by or under such contractor of any work which is merely ancillary or incidental to, and is no part of, or process in, the trade or business carried on by such undertakers respectively. (60 and 61 Vict. (Imp.), 1897, c. 37, s. 4.)

6. Where any employer becomes liable under this act to pay compensation in respect of any accident, and is entitled to any sum from insurers in respect of the amount due to a workman under such liability, then in the event of the employer becoming bankrupt, making an assignment for the benefit of his creditors, or making a composition or arrangement with his creditors, or if the employer is a company, of the company having commenced to be wound up, such workman shall have a first charge upon the sum aforesaid for the amount so due, and a judge of the supreme court may direct the insurers to pay such sum into any chartered bank of Canada in the name of the registrar of such court, and order the same to be invested or applied in accordance with the provisions of the first schedule hereto with reference to the investment in any chartered bank of Canada of any sum allotted as compensation, and those provisions shall apply accordingly.

7. Where the injury for which compensation is payable under this act was caused under circumstances creating a legal liability in some person other than the employer to pay damages in respect thereof, the workman may, at his option, proceed, either at law against that person to recover damages, or against his employer for compensation under this act, but not against both, and if compensation be paid under this act, the employer shall be entitled to be indemnified by the said other person. (60 and 61 Vict. (Imp.), 1897, c. 37, s. 6.)

8. (1) This act shall apply only to employment by the undertakers as hereinafter defined, on or in or about a railway, factory, mine, quarry, or engineering work, and to employment by the undertakers as hereinafter defined or in or about any building which exceeds forty feet in height, and is either being constructed or repaired by means of a scaffolding, or being demolished, or on which machinery driven by steam, water, or other mechanical power, is being used for the purpose of the construction, repair, or demolition thereof.

(2) In this act—

“Railway” means a road owned by a private person or public company on which carriages run over metal rails, and shall include railways or tramways operated by electric or other power:

“Factory” means a building, workshop, or place where goods are manufactured, and includes mills where manufactures of wood, flour, meal, pulp or other substances are being carried on, also smelters where metals are sorted, extracted or operated on; every laundry worked by steam, water or other mechanical power, and also includes any dock, wharf, quay, warehouse, ship building yard, marine railways, where goods or materials are being stored, handled, transported or manufactured:

“Mine” means a mine to which the “Coal Mines Regulation Act” and amending acts, or the “Mineral Act” and amending acts, or the “Placer Mining Act” and amending acts, apply:

“Engineering work” means any work of construction or alteration or repair of a railroad, harbor, dock, canal or sewer, and includes any other work for the construction, alteration, or repair of which machinery, driven by steam, water, or other mechanical power, is used:

“Quarry” means an open cut from which rock is cut or taken for building purposes:

“Undertaker,” in the case of a railway, means the railway company; in the case of a factory, quarry, laundry, smelter or warehouse means the occupier or operator thereof; in the case of a mine means the owner thereof, and in the case of an engineering work, or other work specified within this act, means the person undertaking the construction, alteration, repair or demolition:

“Employer” includes any body of persons, corporate or incorporate, and the legal personal representative of a deceased employer:

“Workman” includes every person who is engaged in an employment to which this act applies, whether by way of manual labour or otherwise, and whether his agreement is one of service or apprenticeship or otherwise, and is expressed or implied, is oral or in writing. Any reference to a workman who has been injured shall, where the workman is dead, include a reference to his legal personal representative or to his dependants, or other person to whom compensation is payable:

“Dependants” means wife, father, mother, husband, sister, brother, child or grandchild, provided that they were wholly or part dependent upon the earnings of the workman at the time of his death.

(3) A workman employed in a factory which is a ship-building yard shall not be excluded from this act by reason only that the accident arose outside the yard in the course of his work upon a vessel in any dock, river, or tidal water near the yard. (60 and 61 Vict. (Imp.), 1897, c. 37, s. 7.)

9. This act shall not apply to persons in the naval or military service of the Crown, but otherwise shall apply to any employment by or under the Crown to which this act would apply if the employer were a private person. (60 and 61 Vict. (Imp.), c. 37, s. 8.)

10. Any contract existing at the commencement of this act, whereby a workman relinquishes any right to compensation from the employer for personal injury arising out of and in the course of his employment, shall not, for the purposes of this act, be deemed to continue after the time at which the workman's contract of service would determine if notice of the determination thereof were given at the commencement of this act. (60 and 61 Vict. (Imp.), 1897, c. 37, s. 9.)

11. This act shall come into force upon the first day of May, 1903.

#### FIRST SCHEDULE.

##### *Scale and conditions of compensation.*

1. The amount of compensation under this act shall be—

(a) Where death results from the injury:

(1) If the workman leaves any dependants wholly dependent upon his earnings at the time of his death, a sum equal to his earnings in the employment of the same employer during the three years next preceding the injury, or the sum of one thousand dollars, whichever of those sums is the larger, but not exceeding in any case the sum of fifteen hundred dollars: Provided that the amount of any weekly payments made under this act shall be deducted from such sum, and if the period of the workman's employment by the said employer has been less than the said three years, then the amount of his earnings during the said three years shall be deemed to be 156 times his average weekly earnings during the period of his actual employment under the said employer:

(2) If the workman does not leave any such dependants, but leaves any dependants in part dependent upon his earnings at the time of his death, such sum, not exceeding in any case the amount payable under the foregoing provisions, as may be agreed upon, or, in default of agreement, may be determined, on arbitration under this act, to be reasonable and proportionate to the injury to the said dependants; and

(3) If he leaves no dependants, the reasonable expenses of his medical attendance and burial, not exceeding one hundred dollars.

(b) Where total or partial incapacity for work results from the injury, a weekly payment during the incapacity after the second week not exceeding fifty per cent. of his average weekly earnings during the previous twelve months, if he has been so long employed, but if not, then for any less period during which he has been in the employment of the same employer, such weekly payments not to exceed ten dollars: Provided that the total amount paid as compensation for injury causing such total or partial incapacity shall not exceed the sum of fifteen hundred dollars.

2. In fixing the amount of the weekly payment, regard should be had to the difference between the amount of the average weekly earnings of the workman before the accident and the average amount which he is able to earn after the accident, and to any payment not being wages which he may receive from the employer in respect of his injury during the period of his incapacity.

3. Where a workman has given notice of an accident, he shall, if so required by the employer, submit himself for examination by a duly qualified medical practitioner provided and paid by the employer, and if he refuses to submit himself to such examination, or in anyway obstructs the same, his right to compensation, and any proceeding under this act in relation to compensation, shall be suspended until such examination takes place.

4. The payment shall, in case of death, be made to the legal personal representative of the workman, or, if he has no legal personal representative, to or for the benefit of his dependants, or, if he leaves no dependants, to the person to whom the expenses are due; and if made to the legal personal representative shall be paid by him to or for the benefit of the dependants or other person entitled thereto under this act.

5. Any question as to who is a dependant, or as to the amount payable to each dependant, shall, in default of agreement, be settled by arbitration under this act.

6. The sum allotted as compensation to a dependant may be invested or otherwise applied for the benefit of the person entitled thereto, as agreed, or as ordered by the committee or other arbitrator.

7. Any sum which is agreed or is ordered by the committee or arbitrator to be invested may be invested, in whole or in part, in the savings department in any chartered bank in Canada by the registrar of the supreme court in his name as registrar.

8. Any workman receiving weekly payments under this act shall, if so required by the employer, or by any person by whom the employer is entitled under this act to be indemnified, from time to time submit himself for examination by a duly



qualified medical practitioner provided and paid by the employer, or such other person; but if the workman objects to an examination by that medical practitioner, or is dissatisfied by the certificate of such practitioner upon his condition when communicated to him, he may submit himself for examination to one of the medical practitioners appointed for the purposes of this act as mentioned in the second schedule to this act, and the certificate of that medical practitioner as to the condition of the workman at the time of this examination shall be given to the employer and workman, and shall be conclusive evidence of that condition. If the workman refuses to submit himself to such examination, or in any way obstructs the same, his rights to such weekly payments shall be suspended until such examination has taken place.

9. Any weekly payment may be reviewed at the request either of the employer or of the workman, and on such review may be ended, diminished or increased, subject to the maximum above provided, and the amount of payment shall, in default of agreement, be settled by arbitration under this act.

10. Where any weekly payment has been continued for not less than six months, the liability therefor may, on the application by or on behalf of the employer, be redeemed by the payment of a lump sum, to be settled, in default of agreement, by arbitration under this act, and such lump sum may be ordered by the committee or arbitrator to be invested or otherwise applied as above mentioned.

11. A weekly payment, or a sum paid by way of redemption thereof, shall not be capable of being assigned, charged or attached, and shall not pass to any other person by operation of law, nor shall any claim be set off against the same.

## SECOND SCHEDULE.

### *Arbitration.*

The following provisions shall apply for settling any matter which under this act is to be settled by arbitration:

1. If any committee, representative of an employer and his workmen, exists with power to settle matters under this act in the case of the employer and workmen, the matter shall, unless either party objects, by notice in writing sent to the other party before the committee meet to consider the matter, be settled by the arbitration of such committee, or be referred by them in their discretion to arbitration as hereinafter provided.

2. If either party so objects, or there is no such committee, or the committee so refers the matter or fails to settle the matter within three months from the date of the claim, the matter shall be settled by a single arbitrator agreed on by the parties, or in the absence of agreement by an arbitrator appointed by a judge of the supreme court, according to the procedure prescribed by regulations made by the lieutenant-governor in council.

3. Any arbitrator appointed by a judge of the supreme court shall, for the purposes of this act, have all the powers of a judge of the supreme court.

4. An arbitrator may, if he thinks fit, submit any question of law for the decision of a judge of the supreme court, and the decision of the judge on any question of law, either on such submission, or in any case where he himself settles the matter, under this act, shall be final, unless within the time and in accordance with the conditions prescribed by the rules of the supreme court, either party appeals to the full court; and the arbitrator appointed by a judge of the supreme court, shall, for the purpose of an arbitration under this act, have the same powers of procuring the attendance of witnesses and the production of documents as if the claim for compensation had been made by writ of summons in the supreme court.

5. The said regulations may make provision for the appearance in any arbitration under this act of any party by some other person.

6. The costs of and incident to the arbitration and proceedings connected therewith shall be in the discretion of the arbitrator. The costs shall not exceed the limit prescribed by said regulations, and shall be taxed in manner prescribed by said regulations.

7. In the case of the death or refusal or inability to act of an arbitrator, a judge of the supreme court may, on application of any party, appoint a new arbitrator.

8. Where the amount of compensation under this act shall have been ascertained, or any weekly payment varied, or any other matter decided, under this act, either by a committee or by an arbitrator or by agreement, a memorandum thereof shall be sent, in manner prescribed by said regulations, by the said committee or arbitrator, or by any party interested, to the registrar of the county court for the district in which



any person entitled to such compensation resides, who shall, subject to such regulations, on being satisfied as to its genuineness, record such memorandum in a special register without fee, and thereupon the said memorandum shall for all purposes be enforceable as a county court judgment: provided, that the county court judge may at any time rectify such register.

9. No court fee shall be payable by any party in respect of any proceedings under this act prior to the award.

10. Any sum awarded as compensation shall be paid on the receipt of the person to whom it is payable under any agreement or award, and his solicitor or agent shall not be entitled to recover from him, or to claim a lien on, or deduct any amount for costs from, the said sum awarded, except such sum as may be awarded by the arbitrator, on an application made by either party to determine the amount of costs to be paid to the said solicitor or agent, such sum to be awarded subject to taxation and to the scale of costs prescribed by said regulations.

11. The lieutenant-governor in council may appoint legally qualified medical practitioners for the purpose of this act, and any committee, arbitrator or judge may, subject to regulations made by the lieutenant-governor in council, appoint any such practitioner to report on any matter which seems material to any question arising in the arbitration.

## **CAPE OF GOOD HOPE.**

### **WORKMEN'S COMPENSATION ACT, 1905.(a)**

2. Save in respect of any personal injury caused prior to the taking effect of this act, a workman in any employment to which this act applies shall not be entitled to claim damages or compensation against an employer or principal for any personal accidental injury to which this act applies under any other existing law, but shall be restricted in respect of such injury to such rights as he may have under this act and the employer or principal shall not be liable in respect of such injury to pay any damages or compensation other than as provided by this act; provided that nothing in this section contained shall apply to any rights which any such workman may have against an employer or principal under the rules of any fund, benefit society or government regulation.

3. Notwithstanding any law to the contrary the magistrate of any district or assistant magistrate of any detached district in which an injury to a workman occurs shall have the jurisdiction necessary for the purposes of this act.

4. In this act the following definitions and provisions shall apply:—

"Employer" means any person who hires or contracts with any workman in the colony or the territorial waters thereof or between whom and any such workman there is an existing contract for the performance of any work to which the provisions of this act apply, and shall include the legal personal representative of a deceased employer and the trustee of the estate of an employer when such estate has been sequestrated.

"Principal" means any person whose trade, business, contract, or public function it being wholly or in part to do, perform, or undertake a work to which this act applies, employs a contractor to do it for him wholly or in part, and whether such contractor employs a subcontractor or not, and shall include the legal personal representative of a deceased principal, and the trustee of the estate of a principal when such estate has been sequestrated.

"Person" means any person, partnership, company, association, corporation or public board, and includes the agent in the colony of any such person, persons, partnership, company, association or corporation.

"Workman" means anyone employed in the colony or the territorial waters thereof by any person on, in, or about a work to which this act applies, whether in manual labor or otherwise, and whether the agreement is one of service or apprenticeship or otherwise and is expressed or implied, is oral or in writing but shall not include a contractor or subcontractor. Any reference to a workman who has been injured shall, where the workman is dead, include a reference to his legal personal representative or to his dependents or other person to whom compensation is payable under this act.

"Wages" means the average weekly earnings of the workman at the time of injury. If the wages are paid at the time of the injury at a rate per hour, the average weekly wages are to be taken as forty-eight times the rate per hour.

If the wages are so paid at a rate per day, the average weekly wages are to be taken as six times the rate per day.

If the wages are so paid at a rate per week, the average weekly wages are to be taken as that rate.

If the wages are so paid at a rate per month, the average weekly wages are to be taken as one-fifty-second of twelve times the rate per month.

No overtime payments are to be taken into account.

"Dependents" means such members of the workman's family specified in the first schedule to this act, as were wholly or in part dependent upon the workman at the time of the injury which caused his death.

"Work" means any employment in any trade, business, or public undertaking in the colony, on land or upon or within the territorial waters of the colony, but shall not mean or include domestic, messenger, or errand service or employment in agriculture.

"Agriculture" means horticulture, forestry, and any work upon a farm or connected with farming.

"Gross carelessness" means any act done or duty omitted without safeguarding against the probable consequences, when such consequences are dangerous to human life or limb.

5. This act shall not apply to persons in the naval or military service of the Crown, but otherwise shall apply to any employment by or under the Crown to which this act would apply if the employer were a private person.

6. If in any work to which this act applies personal accidental injury arising out of and in the course of the employment is caused to a workman necessitating his absence from work, and not being an injury caused by or through his own gross carelessness, the employer, and every principal, shall be jointly and severally liable to pay to the workman or his dependents any compensation awarded under the provisions of this act, provided that in all cases where a principal, who has not himself hired or employed the workman, pays compensation under this act, he shall be entitled to be indemnified by any other principal or employer standing between him and the workman by action in the court of the resident magistrate of the district where such other principal or employer resides.

7. Any workman personally injured as aforesaid, and desirous of obtaining compensation therefor, under the provisions of this act, shall forthwith or as soon as he is able to do so, give or cause to be given information to any police constable or officer, or to the clerk of the resident or assistant resident magistrate of the district in which such injury was received, of such injury, and such constable, officer or clerk shall forthwith report the same to the magistrate or assistant magistrate of the said district.

8. The resident or assistant resident magistrate aforesaid, upon receiving information of a personal injury to a workman necessitating his absence from work, and as soon as he shall have received the certificate of the district surgeon or medical man hereinafter provided for, shall hold an inquiry into the circumstances of the case, under oath, and shall record the evidence taken by him. Notice of the date and place at which the inquiry will be held shall be given by the magistrate to the employer or any principal, but the inquiry shall not be invalidated or postponed by reason of such notice not reaching the employer or principal in time.

9. For the purposes of the aforesaid inquiry the magistrate holding the same shall have all and singular the powers vested by law in a resident magistrate for the holding of an inquest upon a deceased person, and the law appertaining to witnesses and their evidence in cases of inquests shall *mutatis mutandis* apply to witnesses and their evidence in any inquiry under this act: Provided that, if the injured workman is at the time of the injury in some district other than that of the magistrate aforesaid and is unable to attend such inquiry, the said magistrate may appoint the assistant resident magistrate or magistrate's clerk in his office to take the evidence under oath of such injured workman if necessary, and shall give the employer or any principal, if he shall have appeared at the inquiry, notice thereof: Provided further that the workman shall be liable to pay to the said magistrate the costs of obtaining the aforesaid medical certificate, in case the magistrate finds that the workman has suffered no grievous bodily harm by the injury complained of.

10. The district surgeon or medical man shall, as soon as possible after being instructed thereto by the magistrate, visit and examine the injured workman, and shall certify to the magistrate whether in his opinion the injury necessitates the workman's absence from work for longer than three days.

11. In every case as aforesaid in which the district surgeon or medical man shall certify that in his opinion the personal injury received necessitates the workman's absence from work for longer than three days, and as soon as the magistrate shall satisfy himself from the evidence taken in the said inquiry, that the injury was one in respect of which compensation is payable in terms of this act such magistrate shall make a provisional order for the payment to the workman by the employer and the several principals (if any), the one paying the others to be discharged, from the date of the injury and until the workman is sufficiently recovered to resume work, of not exceeding fifty per centum of the wages which he was receiving at the time of the injury. Payment to be made at such times or at such intervals as may have been the course of payment to the workman at the time of the injury, provided that in no case shall the amount of such payment exceed two pounds [\$9.73] per week. Regard shall be had, in fixing such amount, to the workman's necessities.

12. Any provisional order as aforesaid shall, unless and until it is set aside or varied in the manner hereinafter provided, and if varied then to the extent of the order made, have for a period of six months the full force and effect of a civil judgment of the court of resident magistrate from the date of the injury, unless such workman shall sooner resume work, die, or obtain judgment in his favor in any action hereinafter provided,

but no such order shall be suspended by the commencing of such action by the workman or the hearing thereof by the court, and no such order shall be subject to appeal to any superior court having jurisdiction, unless a magistrate shall have given a finding upon the question of gross carelessness, in which case an appeal to the superior court shall only lie upon leave granted by such superior court.

13. Should the employer or any principal not have received the notice mentioned in clause 8 in time to be present or to be represented at the said inquiry he may upon giving the workman forty-eight hours' notice of his intention so to do and stating the day of hearing and the ground or grounds upon which he is proceeding, set down with the clerk of the court of the resident or assistant resident magistrate who granted the provisional order, for the next court day thereafter, an application to set aside or vary the said provisional order.

14. The grounds upon which a provisional order may be set aside or varied shall be one or more of the following:

(1) That the injury sustained by the workman did not arise out of and in the course of the employment.

(2) That the injury was caused by the workman's own gross carelessness.

(3) That the workman has sufficiently recovered to resume work.

(4) That the workman has refused to allow himself to be examined by a medical man appointed by the employer.

(5) That the workman is entitled wholly or in part to a similar allowance to that granted under the provisional order from a benefit or other society as mentioned in sections 29 and 30 of this act; or that he would have been entitled to such allowance in whole or part had he joined the said benefit or other society as mentioned in section 31 of this act.

15. At and upon the hearing of the application aforesaid it shall be lawful for the applicant, or for the workman or for the court to produce or call for such evidence, or to recall such witnesses in the original inquiry as may be deemed necessary, and such evidence shall be recorded by the magistrate with and in addition to the evidence of the original inquiry.

16. In case in any such application as aforesaid the applicant shall rely upon the ground that the workman is sufficiently recovered to resume work the magistrate may require the district surgeon or medical man to visit and examine the workman and to give evidence thereon, the cost of such examination and witness to be borne by the unsuccessful party to the proceeding.

17. Upon hearing the parties aforesaid the magistrate may confirm or set aside the provisional order wholly or in part and for such period or from such date and upon such terms as to costs as to him may seem meet, and such judgment shall thereupon be deemed to be a final civil judgment of the magistrate's court, provided that no appeal shall lie therefrom to any superior court having jurisdiction except where gross carelessness has been alleged and the magistrate's court has given a finding thereon, in which case an appeal to the superior court shall only lie upon leave granted by such superior court.

18. No such judgment or provisional order as in the preceding sections mentioned shall be taken to extend beyond the period of the workman's actual incapacity for work, and any person adjudged to pay wages to an injured workman under any such judgment or order may at any time upon obtaining fresh evidence take further proceedings to terminate the operation of the said judgment or order, and the provisions of sections 13, 14, 15, 16 and 17, of this act shall apply mutatis mutandis, to such proceedings, provided that the magistrate shall impose double costs in any case in which such court is of opinion that the proceeding is frivolous and vexatious.

19. If in any case the magistrate shall, upon grounds appearing upon the record of the evidence, refuse to make any provisional order for payment to an injured workman on the ground that the injury was due to his own gross carelessness, the workman may apply to a superior court having jurisdiction for leave to appeal from any such decision as if such decision were a final civil judgment of the magistrate's court.

20. In case the superior court hearing the appeal aforesaid shall be of opinion that the workman is entitled to a provisional order in terms of section 11 of this act the court shall make such order, and the provisional order so made shall be deemed and taken to be the provisional order in section 11 prescribed.

21. If the magistrate shall have refused to make a provisional order on the ground that the medical man aforesaid was of opinion that the injury would not necessitate the workman's absence from work for longer than three days, and it shall happen thereafter that the injury was more serious than supposed, and has prevented the workman from resuming work for a period longer than three days, he may notify the magistrate as in clause 7, and the same proceedings shall be had thereon as if the workman had given notice of the injury for the first time, provided that, if the magis-

trate shall find that the workman is not entitled to compensation under the provisions of this act, the workman shall be liable to pay the whole cost of such second inquiry.

22. If any workman become permanently totally incapacitated for work by reason of a personal injury, for which an employer or principal is liable to pay compensation under the provisions of this act, such workman shall, subject to the provisions of sections 29, 30 and 31 of this act, and in addition to the provisional order, have a right of action in the magistrate's court of the district in which he received such injury, against the employer or principal for the recovery of a sum not exceeding three years' wages at the rate of wages drawn by such workman at the time of the injury, less any wages received under any provisional order as hereinbefore mentioned, provided such sum shall not exceed six hundred pounds [\$2,919.90] in all. Regard shall be had in fixing such amount to the workman's necessities.

23. The court hearing the action may, if the employer's liability for compensation be proved, postpone giving judgment in such action for a definite period in order to obtain more certain evidence of the workman's permanent total incapacity for work, the costs of such postponement to be borne by the party requesting it, and may from time to time further postpone such final judgment for such evidence on the aforesaid terms for a period or periods in all not exceeding six months from the date of summons.

24. If any workman, injured as in this act mentioned, shall at any time be sufficiently recovered to undertake any employment but owing to any permanent injury so received by him shall be unable to resume work of the character upon which he was employed at the time of the injury or for which he was, previous to the injury, fitted by trade or apprenticeship, or in case, although not wholly unfitted for such work, he shall be partially unfitted therefor, he shall, subject to the provisions of sections 29, 30 and 31 of this act, and in addition to the provisional order, have a right of action against the employer in the magistrate's court aforesaid for the recovery of a sum not exceeding the probable deficiency in his income owing to his diminished capacity for any employment at the rate of wages received by him at the time of the injury, for three years, such sum not to exceed three hundred pounds [\$1,459.95], less any wages received under any provisional order as hereinbefore mentioned.

25. If any workman who has not received compensation under the next preceding sections shall die as the result of personal injury received, for which an employer is liable under the provisions of this act, the dependents who were at the time of the injury wholly dependent upon him, shall, subject to the provisions of sections 29 and 30 of this act, be entitled in all to a sum not exceeding three years' wages of the deceased and not exceeding four hundred pounds [\$1,946.60], from the employer, which sum shall not be subject to deduction of any payments made to the deceased under a provisional order as hereinbefore mentioned, if such payments did not continue for a longer period than three months. Regard shall be had in fixing such amount to the dependent's necessities.

26. If the said workman die as in the next preceding section mentioned and leave no dependents wholly dependent upon him, any dependents who were partially dependent upon the deceased at the time of the injury shall, subject to the provisions of sections 29 and 30 of this act, be entitled in all to a sum not exceeding two hundred pounds [\$973.30] from the employer, which sum shall not be subject to deduction of any payments made to the deceased under a provisional order as hereinbefore mentioned if such payments did not continue longer than three months, provided that in no case shall judgment be given for a larger sum than in the opinion of the court represents the value of the support which they were receiving, calculated for two years. Regard shall also be had in fixing the amount to the dependent's necessities.

27. The legal representative of the deceased shall be entitled to sue for the sums mentioned in the next two preceding sections in the magistrate's court of the district aforesaid, and shall pay over such sums if recovered to the dependents proved to be entitled thereto, or may pay the said sum or sums into court. Any question as to who is a dependent and as to the amount payable to each dependent shall in default of agreement be settled by the court in which the action is brought.

28. No sum payable to any dependent as in this act provided shall be liable to attachment for any debts due by the deceased workman.

29. If in any inquiry or action as hereinbefore provided it shall appear that the injured or deceased workman is or was a member of any benefit society, sick fund organisation or club to which the employer or principal is contributing on a ratio of not less than one-third to the workmen's contribution for the benefit of his workmen, not being an insurance fund against employer's liability under this act, and that such workman or his dependents is or are entitled from such fund to any allowance or gratuity in respect of his illness, absence from work, permanent or partial disablement or death, the court making an order or giving judgment as aforesaid against the



employer or principal shall deduct from the amount of the allowance or sum, capitalized if need be, which under the provisions of this act would otherwise have been adjudged against the employer or principal a sum which bears the same proportion to the amount, capitalized if need be, he or his dependents is or are entitled to from such fund as the employer or principal's annual contribution bears to the total annual income of such fund excluding interest, the said income to be taken as that shown in the balance sheet for the last financial year of the fund prior to the injury.

30. If in any case as in the next preceding section mentioned it shall appear that the proportionate amount subscribed by the employer or principal in any allowance or gratuity made or to be made by any benefit or any other such society or club to or in respect of any injured workman, or in the case of his death to his dependents, is in excess of the amount which, under the provisions of this act, the employer or principal might be adjudged to pay to such workman or his dependents, no order or judgment shall be made by the court and any proceedings taken for recovery of any such allowance or amount shall forthwith lapse and determine.

31. The provisions of the next two preceding sections shall apply if it shall appear in any proceeding under this act that the employer or principal has provided or is contributing in the aforesaid ratio towards such a fund for the payment of allowance, sick-pay or gratuities to any of such employer or principal's workmen when injured or disabled from work, and that the injured men in respect of whom the proceeding is instituted might, under the rules and regulations of such fund or society have joined such organization, but failed to do so.

32. If the injured workman shall die and leave no dependents the employer or principal shall be liable under the provisions of this act for the reasonable expenses of the workman's medical attendants and burial, not exceeding forty pounds [\$194.66] sterling.

33. No action for compensation under the provisions of section 22 and succeeding sections of this act shall be maintained unless such action shall have been commenced within four months from the date of the injury or, in case of death caused thereby, within four months from the date of death, or if the employer or principal shall within either such period have admitted his liability to pay compensation, within four months from the date of such admission, and no appeal shall lie from any decision of the magistrate's court thereon except in an action in which gross carelessness has been alleged and the magistrate's court has given a finding thereon, in which case an appeal to the superior court shall only lie upon leave granted by such superior court.

34. When an employer or principal is adjudged or admits liability under this act to pay compensation, and is entitled to any sum from any insurers in respect of such liability, then in the event of the estate of the employer or principal being sequestrated or of such employer or principal making a composition or arrangement with his creditors or, if the employer or principal be a company having commenced to be wound up, the workman or his dependents entitled to compensation shall have a first charge upon the sum aforesaid for the amounts due, and if any of the events above-mentioned happen while an inquiry or action is being instituted for or with a view to compensation the court having jurisdiction shall interdict the parting with any such sum by any insurer pending the result of such inquiry or action.

35. Every employer or principal shall be bound in any inquiry or action under the provisions of this act to disclose whether he has insured against personal injury to the workmen employed by him or on his behalf, and if so, the name and address of the company or association with whom the insurance has been effected.

36. Where the injury for which compensation is payable under the provisions of this act was caused under circumstances creating a legal liability in some person other than the employer or principal to pay damages in respect thereof, the workman may at his option proceed either at law against such person to recover damages or against the employer or principal for compensation under the provisions of this act, but not against both, and if compensation be paid under this act the employer shall be entitled to be indemnified by the said other person.

37. Any contract existing at the date of the taking effect of this act, or hereafter entered into, whereby a workman relinquishes any right to compensation from an employer or principal for personal injury arising out of and in the course of his employment, shall be null and void.

38. If anyone threatens and compels any workman to do any act the doing of which shall deprive or be likely or calculated to deprive such workman of any claim to compensation which he would have under the provisions of this act, such person shall be liable to a penalty not exceeding one hundred pounds [\$486.65].

39. If any employer or fellow-workman through gross carelessness causes grievous bodily harm to a workman in the course of his employment, such person shall be deemed to be guilty of an offence and shall be liable upon conviction to a penalty not



exceeding five hundred pounds [\$2,433.25] or in default of payment to imprisonment for a period not exceeding one year, provided that the provisions of this section shall not apply to any case of death caused by such carelessness.

40. Every insurance company, carrying on business in the Cape Colony, shall make and furnish a return annually to 31st December in the form provided in the second schedule to this act to the attorney-general: provided that such return shall be considered confidential, and shall not be published except upon a resolution of the Legislative Council and House of Assembly.

41. Notwithstanding any law to the contrary every policy of insurance of workmen entered into after the promulgation of this act shall bear a stamp of three pence [6 cents] when the annual premium does not exceed one pound (£1) [\$4.87], and of one shilling [24 cents] when the annual premium exceeds one pound (£1) [\$4.87], and shall be subject to the stamp laws of the Cape Colony if not so stamped when entered into.

42. It shall be lawful for the governor from time to time to make or amend regulations for the carrying out of the provisions of this act.

43. This act shall take effect from and after the first of September, 1905.

44. This act may be cited as the "Workman's Compensation Act, 1905."

#### FIRST SCHEDULE.

Husband.	Grandfather.	Son.	Step-son.
Wife.	Grandmother.	Daughter.	Step-daughter.
Father.	Step-father.	Grand-son.	Brother.
Mother.	Step-mother.	Grand-daughter.	Sister.

#### SECOND SCHEDULE.

Name of Insurance Co. \_\_\_\_\_ Head Office, \_\_\_\_\_  
Head Office for Cape Colony, \_\_\_\_\_

Trades.	No. of policies issued in the colony.	Gross wages.	No. of employees.	Average rate per cent of wages or per employee.	No. of claims.	Compensation paid and allowance for outstanding claims, including legal and medical charges.	Claim ratio per cent of wages or per employee.	Expense ratio on gross business in colony. (a)
Builders.....	.....	.....	.....	.....	.....	.....	.....	.....
Brickmakers.....	.....	.....	.....	.....	.....	.....	.....	.....
Brewers.....	.....	.....	.....	.....	.....	.....	.....	.....
Contractors.....	.....	.....	.....	.....	.....	.....	.....	.....
Engineers.....	.....	.....	.....	.....	.....	.....	.....	.....
Mines.....	.....	.....	.....	.....	.....	.....	.....	.....
Quarries.....	.....	.....	.....	.....	.....	.....	.....	.....
Shipping risks.....	.....	.....	.....	.....	.....	.....	.....	.....
Stevedores.....	.....	.....	.....	.....	.....	.....	.....	.....
Trades other than those mentioned above.....	.....	.....	.....	.....	.....	.....	.....	.....

a Gross business embraces all classes of business transacted, not only employers' insurance.

## DENMARK.

### LAW OF JANUARY 7, 1898, RELATING TO WORKMEN'S INSURANCE AGAINST ACCIDENTS IN CERTAIN INDUSTRIES.<sup>(a)</sup>

#### I.—THE INSURANCE.

ARTICLE 1. If a workman employed by one of the employers mentioned in article 3 shall meet with an accident which, temporarily or permanently, diminishes his working capacity, he is, within the limits and in the same manner prescribed by the present law, insured against his loss of working capacity, provided the accident is occasioned, in the case of industries mentioned in article 4A, by the exercise of the industry or the conditions under which it is carried on, and in the case of the industries mentioned in article 4B, by the methods of work therein mentioned. If the accident causes death, the workman's survivors shall be insured, in the same manner and under the same conditions, against their loss of a provider. But those accidents are excluded from insurance which the workman has himself caused either intentionally or by gross carelessness.

ART. 2. Insurance under this law shall include every one who, for wages or contract payment or as an unpaid apprentice (or helper) is, regularly or temporarily, employed by the employer in this country in the technical-mechanical part of the industry or who oversees or conducts this part of the industry for the employer in return for compensation, if this compensation does not exceed 2,400 Kroner [\$643.20] a year.

If the workman shall leave a widow, she shall be entitled to insurance under this law, provided that the marriage was contracted and that their marital life had not ceased before the accident. If the workman shall leave no widow entitled to insurance, it shall revert to his children for whose support he was responsible or whom he was really supporting at the time of the accident. If he leaves no such survivors, the council mentioned in Part II of this law shall decide whether the insurance shall fall to other persons for whom the workman was providing at the time of the accident. The same rules shall hold for the survivors of a female worker, whether children or others, for whom she was providing.

Survivors who were not resident in this country at the time of the accident shall have no claim under this law.

ART. 3. The present law shall apply to the following employers:—

(a) Individuals or companies which carry on as a business any of the industries mentioned in article 4A;

(b) Individuals or companies which use machinery of the kind specified in article 4B;

(c) The state and communes which employ workmen in any of the industries mentioned in article 4.

If an undertaking which is included under any of the industries mentioned in article 4 is parcelled out among several parties, each of them shall be regarded as the employer of the workmen whom he shall pay.

If an employer coming under this law has taken over the execution of a certain work, he shall be regarded as the employer of those workmen also who are turned over to him by his partner in the contract for the execution of the work.

ART. 4. This law applies to:—

A. 1. Factories and undertakings carried on in workshops conducted like factories, provided that these establishments are subjected to factory inspection in accordance with Act No. 56 of April 12, 1889, concerning Arrangements for the Prevention of Accidents in the Use of Machines. At the suggestion of the council, the minister of the interior may, by decree, include under the law such factories and workshops conducted like factories which are not subjected to the factory inspection mentioned, if it appears that the workmen are exposed to industrial accidents.

2. Industries which produce explosive materials or articles or which regularly use explosives.

3. Stone quarrying, lime quarrying, lime burning, stone cutting, well digging and ice harvesting.

4. *a.* Building work (both on the building site, below and above ground, and in timber and iron construction yards), in connection with buildings and construction works in process of construction, completion, rebuilding, alteration and demolition; but exception is made of dwellings and commercial buildings of not more than one story and attic;

*b.* Building work for the maintenance or improvement of the buildings and the construction works included under *a*; but exception is made of inside work which is done without the use of scaffoldings or similar apparatus;

*c.* Chimney sweeping and work in ship yards.

5. Building and installing of railroads, street railways, roads, bridges, dams, canals, and locks.

6. Submarine construction, excavation, filling, draining, dredging, laying of sewer, gas and water pipes, erection, maintenance and taking down of telegraph-telephone and electric lines and of lightning rods.

7. Operation of railroads, street railways and omnibus lines.

8. Loading and unloading of goods together with work in warehouses.

9. Diving and salvage work.

10. Wind and water milling conducted as an independent business.

*B.* Every industry in which machinery is used driven by motors of such a kind that the industry is subjected to factory inspection in accordance with the above mentioned Act No. 56 of April 12, 1889, article 11, paragraph 1.

Employers and workmen may require a decision from the council in regard to the extent to which the industry is included under this law. The decisions made in this connection may be appealed to the minister of the interior. The time limit allowed for the appeal is 14 days from the notification of the decision.

In every industry which comes under this law, a distinct statement to that effect shall be posted in a place accessible to all the workmen.

ART. 5. If an accident takes place under the circumstances mentioned in the preceding paragraphs, the party concerned shall have a claim to the following compensation.<sup>(a)</sup>

1. If the accident shall cause a disability, the final result of which can not be determined at the time, the injured person shall receive a daily allowance from the expiration of the 13th week and until the end of the medical treatment, or until the disability shall be declared permanent, or until death shall supervene. In case, and as long as total disability exists, this allowance shall equal three-fifths of the daily wages of the injured person, but shall not be more than 2 Kroner [53.6 cents] nor less than 1 Krone [26.8 cents]. If only a decrease of working ability exists from the beginning or subsequently, then only a part of the daily allowance which the injured person would have received or has received, shall be given during the continuance of such disability, this part to be computed proportionately to the decrease of the working ability.

2. If the accident has caused disability which is declared to be permanent (invalidity), the injured person shall receive a sum of money, which shall be determined according to his or her annual wages, calculated according to article 7. If the disability is complete, the sum of money shall amount to 6 times the annual wages but not less than 1800 Kr. [\$482.40] or more than 4800 Kr. [\$1286.40]. If the working capacity is merely diminished, the sum of money shall amount to a fractional part, proportionate to the degree of this diminution, of the sum which the workman would have received in the case of complete loss of working capacity.

(Furthermore, the injured person shall receive the daily allowance computed according to the provisions of paragraph 1 of this article, for a period of 13 weeks. From the amount thus computed shall be deducted all payments already made on account of the daily allowance in conformance with the provisions of paragraph 1 of this article).<sup>(b)</sup>

3. If death shall result from the accident, the survivors of the deceased shall receive 50 Kr. [\$13.40] for funeral expenses and also a sum of money, computed according to the following rules: if the deceased shall leave a widow or any other one person entitled to insurance, such beneficiary shall receive an amount equal to four times the annual wages of the deceased, estimated according to article 7, but not less than 1200 Kr. [\$321.60] or more than 3200 Kr. [\$857.60].

<sup>a</sup> The provisions of the law of 1898, concerning daily allowances, are amended by the law of May 15, 1903, articles 1 to 12, translation of which is given on pages 45 and 46.

<sup>b</sup> The provision of the law of 1898 concerning additional daily allowance was repealed by the law of May 15, 1903, article 11. See page 45.

If several beneficiaries under article 2 shall survive, the council shall decide how the amount mentioned shall be divided among them.

In the determination and the payment of the benefits mentioned in the present article, the detailed regulations established in articles 17-19 of this law shall apply.

ART. 6. If an injured workman or the survivors of a deceased workman are entitled to a pension or support from the State in accordance with another law, the claims under this law shall be null and void. The same rule shall hold good in the case of workmen who are employed by communes, the authorities of which have made provisions for pensions or support for the injured workmen or their survivors, which provisions shall be approved by the minister of the interior after this law has gone into force.

If, moreover, an injured workman or the survivors of a deceased workman are by agreement entitled to a pension, support, or other compensation from the employer on account of the accident, he or they have no claim under the present law except to the amount by which the pension provided for by the present law exceeds the amount of the grants from other sources, unless it is otherwise expressly provided. Whether there is an excess, and how much it amounts to, shall be determined by the council.

ART. 7. As the annual wages of the injured or deceased person, shall be taken the entire amount of his earnings in the industry in which the accident happened, during the year preceding the day of the accident, including shares in the profit, lodgings, allowance for rent, also payments in kind, etc. If he has not worked in the establishment in question the whole of the time mentioned or if he has been employed in an establishment which, by its nature, can not be carried on the whole year round, his annual wages shall be estimated by the council. If he has been receiving no wages or if his annual wage is less than 300 Kr. [\$80.40], then the latter sum shall be used as the basis of the estimate.

The amount of the daily wage is determined by dividing the annual wages by 300.

ART. 8. The liability for the compensation of a workman or his survivors according to the above rules rests upon the employer unless he has insured the compensation with an insurance company recognized according to article 9. Agreements between workmen and employers for the purpose of setting aside the provisions of this law or for shifting upon the workmen the payment of the premium (or any part of it), paid in conformance with this law, shall be null and void.

The placard provided for in article 4 shall also contain information as to what extent and with which company insurance has been taken to cover claims under this law.

ART. 9. In order to facilitate to the employers the transfer of the risks involved in the insurance of their workmen according to this law upon an insurance company, the minister of the interior shall be authorized, on receiving petitions from mutual companies of employers or from companies with limited liability, to recognize them for the purpose of carrying on such insurance.

For mutual companies, recognition shall consist in the approval, by the minister of the interior, of the constitution, which shall contain the necessary and sufficient provisions for the fulfillment by the members of their joint obligations.

Companies with limited liability will obtain recognition on more definite conditions to be determined by the minister of the interior for each individual company.

A notice of each act of recognition shall be published in the Ministerial Gazette. The recognition may be withdrawn by the minister, in which case a notice shall be published in the same way.

ART. 10. If an injured person wishes to claim compensation under this law, he must have himself examined by a physician as soon as possible after the accident and must then submit to the medical treatment which is found necessary. If he fails to do this or if he works against his own recovery by disregarding the advice of the physician, he shall lose his rights to compensation, wholly or partly, according to the circumstances.

The employer or any other person who, according to this law, is liable for the insurance is authorized to have the injured person examined by a physician.

ART. 11. The claim of a workman or his survivors under this law may not be assigned, given in pledge or made the object of a legal process for the satisfaction of creditors.

If the employer has not insured the claims with a recognized company, they have prior right in his estate as privileged claims according to article 33 of the bankruptcy law and may, by order of the council, be collected by a process of distraint.

ART. 12. If a workman or his survivors have claimed or received money payments in accordance with the provisions of the present law, he or they shall have thereby waived the right to make at the same time or subsequently a claim against the employer or others under the other existing laws concerning legal claims for damages. If on the other hand, an injured workman or the survivors of a deceased workman

have made a claim against the employer or others under these general laws, above mentioned, he or they may not, at that time, appeal to the present law or call for a decision from the council, nor subsequently, unless the council, after becoming acquainted with the details of the case and after receiving a petition, shall give its consent.

If the council, when the case is brought before it, finds reason to announce in writing to the injured workman or the survivors of the deceased workman concerned, that he or they have, in the council's opinion, cause to bring suit against the employer or others in accordance with other laws, a suit afterward brought and decided shall in no way hinder the persons in question from subsequently making a claim under the present law, provided that they have not obtained, by their suit, an amount of compensation which equals or exceeds the amount which the council would have granted the person or persons under article 5 of this law. In this case, the complainant shall, by order of the council be exempted from court charges.

## II.—THE WORKMEN'S INSURANCE COUNCIL.

ARTICLE 13. A Workmen's Insurance Council shall be established to deal with the conditions arising under this law.

This council shall have its seat in Copenhagen, but its jurisdiction shall extend over the entire country and it may be called together by the president at any place whatever in the country. It shall consist of a president appointed by the Crown, two members appointed by the Crown, of whom one shall be a physician, and also of two employers and two workmen, belonging to industries included under the law. The inspector of sick benefit societies and the factory inspectors may also be appointed by the minister of the interior to serve with the council.

The two employers shall be selected by the minister of the interior.

The two workmen shall be selected by the council referred to in article 24, section 3, of the law of April 12, 1892, concerning recognized sick benefit societies.

Substitutes shall be selected for the two employers and the two workmen.

The term of office of all 7 members shall be six years. Of the employers and workmen selected the first time, one employer and one workman, chosen by lot, shall go out of office at the expiration of three years.

The members and the special appointees shall receive annual compensation. Their substitutes shall receive a per diem compensation for attendance at meetings. The members of the council and the special appointees shall receive traveling expenses to and from the place of meeting, according to vouchers approved by the president. The council shall employ the necessary physicians and office force. The expenses of the council shall be appropriated in the annual budget.

The detailed rules for the order of business of the council shall be determined by the minister of the interior on proposal from the council.

ART. 14. Every accident in the industries coming under the law, which presumably will involve a claim under this law shall be reported to the council by the proprietor of the establishment or the one who represents him at the time of the accident, as soon as possible and within 8 days at the latest.<sup>(a)</sup> In the report, as accurate information as possible shall be given concerning the following:—

1. The cause of the accident and the detailed circumstances accompanying it.
2. The condition of the injured person and the interval which elapsed from the occurrence of the accident until the first medical treatment.
3. Where and by what physician the injured person is being treated.
4. Whether the victim is a member of a sick benefit society and, if so, the name thereof.
5. Whether the employer had insured the injured person and in what company. The report shall be accompanied by the certificate of the attending physician, for which the employer pays.

The council shall be authorized to require and obtain from the employer, the workmen and other persons concerned, including the physician, information concerning the accident and, furthermore, to require that the injured person shall submit to a physician's examination and to demand a hearing and that a transcript of such a hearing be transmitted to the council.<sup>(b)</sup>

ART. 15. If the report provided for by article 14 shall show that the employer has arranged insurance with a recognized company, this company shall take the place of the employer as a party in the proceedings and decisions resulting from the report. If there shall be no insurance or if the insurance shall be arranged with an unrecognized

<sup>a</sup> See the provision in the law of May 15, 1903, article 15, concerning the discharge of the obligation of making the report and the provision in article 13 of the same law concerning the effect on the injured person of failure to make the report.

<sup>b</sup> Concerning physician's certificates, see the law of May 15, 1903, article 17.



company, the employer shall be the one with whom the proceedings shall be conducted and to whom the decisions shall be transmitted.

ART. 16. As soon as possible after receiving all the necessary information and giving the recognized insurance company or the employer and the other persons concerned opportunity to become acquainted with the information at hand and to express their opinions concerning the matter, the council shall decide (a) the following questions:—

- a. Whether a reported accident involves a claim under this law;
- b. Whether the information is at hand to determine the nature of the compensation in accordance with article 5;
- c. The amount of compensation to the workman or his survivors, if the rules in article 17 do not apply.

For these decisions, the presence of at least five members entitled to vote or their substitutes shall be required. Four affirmative votes shall be necessary to carry a motion.

If circumstances do not yet permit a decision of the question under b. (b), the council shall make such preliminary decisions and give such directions as the circumstances seem to require, according to the detailed rules governing the order of business.

If the council has failed to follow the method of procedure prescribed, the above-mentioned decisions may be appealed to the minister of the interior, who may set them aside and refer the case for a new hearing.

Aside from this case, decisions under a. may be appealed to the minister of the interior, whereas those under letters b. and c. may not be appealed.

The time limit allowed for the appeal is 14 days from the announcement of the decision.

The amount fixed by the council (paragraph c above) may be neither reduced nor increased by it at a subsequent time.

ART. 17. The daily allowance provided for in article 5 shall be determined by agreement between the parties concerned. If no agreement can be reached, the determination shall be made by the council at the request of one of the parties concerned. If the council then finds that the agreement was prevented by the malice of one of the parties, it may levy upon this party a fine, not to exceed 25 Kr. [\$6.70] payable to the council.

The amount of other compensation may not be arranged by agreement between the employer and the workman but shall, in all cases, be determined by the council.

ART. 18. The person to whom the council has granted a sum of money for permanent disability of greater or less degree, is entitled, if a man and between 30 and 55 years of age, to have this sum paid to him or transformed into an annuity, as he may choose. For persons who are older or younger than this, the council may purchase annuities even if the persons themselves might prefer a single payment. If, on account of an invalid's mental condition, the council finds it inadvisable to make a single payment of the amount, the annuity shall be bought regardless of the age.

The sum of money which is granted to women or minors is paid them in whatever form the council may decide upon as best.

The council may require the employer or the insurance company to pay the injured person or his survivors an advance on the sum of money granted if for any reason the payment of the latter is delayed.

ART. 19. The council shall inform the person from whom the payment is due concerning the amount which it has awarded to a workman or his survivors for permanent disability or death.

This amount is to be paid to the council within 14 days after the notice, and the council shall acknowledge its receipt. The payment of the capital amount, according to article 18, shall then be made immediately to the person concerned, who shall give a receipt; whereas the annuity shall be paid by the annuity company to those to whom it is granted or to their legal guardians, according to circumstances, in the manner which the council determines upon in each individual case and of which notice is given them.

Daily allowances shall always be paid out immediately to the persons to whom they are granted. Funeral expenses shall be paid in the same manner.

ART. 20. The council shall make an annual report to the minister of the interior. In this report every individual case which has been brought before the council shall be cited and the decisions shall be noted. The report shall be printed and presented to the Rigsdag, and shall be offered for sale at a low price fixed by the minister of the interior.

ART. 21. Failure to discharge the obligations imposed by article 4, last paragraph, article 8, second paragraph, and article 14, first paragraph, of this law, or to obey the

\* Concerning the effect of the council's provisional settlement of a case, see the law of May 15, 1903, article 14

† See the law of May 15, 1903, article 16.



instructions given by the council according to article 16, third paragraph, shall be punished by fines not exceeding 200 Kr. [\$53.60]. The cases shall be treated as public police cases.

ART. 22. This law, which does not apply to the Faroe Islands, shall go into effect one year after its publication in *Lovtidende* (The Law Gazette). But the provisions concerning the establishment of the council may go into effect before this time, according to the order of the minister of the interior.

ACT OF MAY 15, 1903, SUPPLEMENTARY TO ACT NO. 4 OF JANUARY 7, 1898, CONCERNING THE INSURANCE OF WORKMEN AGAINST THE RESULTS OF ACCIDENTS IN CERTAIN INDUSTRIES.

ARTICLE 1. If a workman has met with an accident to which the law of January 7, 1898, applies and which involves the reduction of his capacity for work during a period of more than 13 weeks, he shall be entitled from the end of the thirteenth week to daily allowances according to the provisions of the present law.

ART. 2. The amount of the daily allowance shall be three-fifths of the injured person's daily wages but not more than 2 Kr. [53.6 cents] or less than 1 Kr. [26.8 cents].

It shall be given for seven days in each week.

Partial daily allowances shall not be granted.

The amount of the wage is determined as prescribed in article 7, of Act No. 4 of January 7, 1898.

ART. 3. The right to daily allowances shall depend upon the reduction of working capacity.

This shall be regarded as being the case if, on account of the injury he has received, the injured person is unable to take up work of the same kind as that which he had previously been doing.

This is to be proved by a physician's certificate.

The payment of daily allowance shall in no case continue for longer than one year after the date of the accident.

ART. 4. If the case involves only a temporary reduction of working capacity, the daily allowances shall cease from the time when the conditions under which it was granted, according to article 3, cease to exist.

If the case involves permanent reduction of working capacity, then the daily allowance shall continue, in so far as the conditions for it, according to article 3, exist, until the council shall determine the compensation for invalidity.

If the case results in death, the daily allowance shall continue under the same conditions until the day of the death.

ART. 5. The steps necessary to determine the daily allowance, including the determination of the amount of the daily wage, shall be taken before the 14th week, so that the payment of the daily allowance to the amount fixed upon may begin at the expiration of the 14th week.

ART. 6. At the beginning of the 14th week the injured person shall be required to send to the employer or to the recognized insurance company concerned a physician's certificate showing that the conditions exist for the payment of the daily allowance, according to article 3 of the present law.

This physician's certificate shall be paid for by the injured person.

ART. 7. The employer or the recognized insurance company concerned shall be entitled to require that a renewal physician's certificate be sent in each week thereafter, but must pay the expenses involved.

ART. 8. The daily allowance shall be paid to the injured person at the expiration of each week for the past week.

ART. 9. The person who was the injured person's employer at the time of the accident shall be obliged to aid him as much as possible in arranging for the daily allowance and especially to see that the payments are made weekly as prescribed and to the amount determined.

If the employer continues to pay a workman, paid by the day or by the week, the full wage despite his inability to do full work, the employer is entitled to receive the allowance coming to the workman from the insurance company according to the terms of the policy.

ART. 10. The Workmen's Insurance Council may provide, if conditions make it desirable, that the daily allowance shall be paid to it in order that it may afterward pay it over to the injured person; and the council may also give the daily allowance to the injured person, according to the prescribed rules, and then collect from the employer or from the insurance company the amount expended.

ART. 11. The provisions of the law of 1898, article 5, section 2, regarding the payment of the additional daily allowance are hereby repealed.

**ART. 12.** All disputes concerning daily allowance shall be settled by the Workmen's Insurance Council.

**ART. 13.** If the employer or the one on whom the obligation devolves according to article 14, of Act No. 4 of January 7, 1898, has not made the prescribed report of an accident, this shall in no way prevent the injured person from claiming compensation later if the claim is made within a year after the occurrence of the accident.

**ART. 14.** If the Workmen's Insurance Council has, in connection with an accident reported to it, announced to the parties that the accident must be regarded as not having caused results to which the law applies, no claim may be made in connection with the accident later than one year after the date of this announcement.

**ART. 15.** The report of an accident, accompanied by the physician's certificate, as prescribed by article 14, of Act No. 4 of January 7, 1898, shall be sent by the employer directly to the Workmen's Insurance Council; and the duty of sending it shall not be left to the insurance company.

The reports of the accident and the physician's certificate shall be made by filling out the blanks prescribed by the council.

This physician's certificate is to be paid for by the employer.

**ART. 16.** If a year has expired since the accident, and the final results have not yet appeared, the council shall, nevertheless, arrive at a decision, as far as possible, by determining the amount of money which in that case is to be granted the person in question, according to its best judgment of what the final results of the accident are likely to be. The decision thus arrived at may not be altered later.

If it is not possible to arrive at a final decision by such estimate, a temporary provision may be made by the council, according to which the case may be taken up again later, if a petition to this effect is made by the injured person. Such reconsideration shall not, however, take place more than two years after the first decision.

**ART. 17.** A scale of charges for physician's certificates made out during the treatment of the cases may be established, at the suggestion of the council, by the minister of the interior.

The physician's certificates necessary for the proper understanding of the case and required by the council of the employer or the insurance company, shall, in so far as no special provisions are made in the preceding paragraphs concerning the obligation of payment, be paid for by the employer or, if insurance is covered with a recognized insurance company, by that company.

If it is provided in existing insurance agreements that the certificates under consideration shall not be paid for by the insurance company, the provision of the preceding paragraph shall go into force when the agreements are renewed and, at the latest, within the expiration of five years from the time when the present law goes into effect.

All disputes in connection with the payment of physician's certificates shall be settled by the Workmen's Insurance Council. The decisions of the council may be appealed to the minister of the interior.

**ART. 18.** The provisions of the present law take the place of the conflicting provisions of Act No. 4 of January 7, 1898, articles 5, 16 and 17 which, however, continue to hold good in so far as they apply to accidents included under the law of April 3, 1900, concerning the insurance of Danish fishermen against accident.

LAW OF MARCH 27, 1908, RELATING TO WORKMEN'S INSURANCE AGAINST ACCIDENTS IN AGRICULTURE AND FORESTRY.<sup>(a)</sup>

## I.—GENERAL PROVISIONS.

ARTICLE 1. The following persons are insured against accidents under the provisions of the present law:

a. Workmen employed in agriculture, forestry, and horticulture, when the property, according to the law of May 15, 1903, has a value as ascertained by the register of surveys of more than 6,000 crowns (\$1,608).

b. Workmen employed in studs, dairies, turf digging, establishments for the manufacture of articles from reeds, and persons employed on threshing machines.

On proposal of the council of insurance, the minister of the interior, by means of an ordinance, can include establishments similar to the preceding.

ART. 2. Insurance is obligatory for establishments which are accessory to those to which article 1 applies, such as briquette factories, sand pits, and clay pits, quarries, stonebreaking, stone-ballast digging, power sawmills, cane cutting, and similar establishments.

ART. 3. Under horticultural establishments the present law includes horticulture carried on as a business; also work in parks, establishments, and gardens belonging to the State or communes, or which belong to establishments engaged in agriculture or forestry, and work in private gardens which market a considerable quantity of their products.

ART. 4. Those persons subject to insurance under this law if they are working for wages or at contract work, or as nonsalaried assistants (*collaborateur*), or in the capacity of overseer, either temporarily or permanently, in the establishments subject to this law, and if their annual earnings as wages do not exceed 1,500 crowns (\$402).

With the exception of the spouse, the members of the employer's family are likewise subject to insurance when their work is similar to that of other employees in the establishment and provided they have completed their tenth year of age.

ART. 5. The insurance covers all accidents which may occur in the establishment or because of the conditions under which labor is performed, and includes accidents in transportation, even if they occur outside of the bounds of the establishment; accidents in the work done on railways for the establishment; work on roads, waterworks, and in drainage work, thatch roofing, in hunting, and other similar occupations when the work performed is in the interest of the establishment or necessary for the property.

Accidents which occur in the household service of the employer when the household is entirely distinct from the establishment or in personal service to the employer or his family are not included in the provisions of this law. Nevertheless persons subject to insurance in virtue of this law do not lose their right to compensation should they be injured by an accident while momentarily working in the household of the employer or for him or for his family.

ART. 6. Accidents which the insured person has caused voluntarily or caused by gross negligence are excluded from the insurance.

ART. 7. If an accident results in death, the survivors of the insured shall be entitled to compensation under the conditions described in articles 18 and 19, if at the time of the accident they have the qualifications of Danish citizens, or reside in the Kingdom. If the survivors reside in another country, they are not entitled to receive compensation unless the person injured belonged to a country which grants to the survivors of Danish agricultural laborers, in case of an accident, the same rights that it grants to its own citizens. If a provision of this kind is applicable only to a part of the foreign state, the reciprocity shall be valid for that part only.

ART. 8. Employers and workmen can request the insurance council to decide if an establishment is subject to the provisions of this law or excluded therefrom. An appeal may be made from such decision to the minister of the interior.

The appeal must be taken within 14 days, counting from the date on which the decision was rendered.

ART. 9. Accidents covered by the preceding provisions of this law shall be treated in conformity with the present law in so far as the insurance premium is concerned, even though up to the present they have been subject to the regulations of the law of January 7, 1898.

Nevertheless the provisions of the present law do not apply to establishments (factories and flour mills) which are subject to article 4, a, numbers 1 and 10, of the law of January 7, 1898. In these establishments, in case of accident, the provisions of the law of January 7, 1898, are applicable.

<sup>a</sup> Translated from the French translation in *Annuaire de la Legislation du Travail*. Belgium, Office du Travail, 1908.

## II.—RIGHTS OF THE INSURED.

ARTICLE 10. In case an accident under the conditions mentioned in article 1 produces a loss of earning power, the insured person is entitled, should the disability cover a period longer than thirteen weeks dating from the date of the accident, to a daily compensation as provided for in the following article. The children of the employer living at home shall not be entitled to any compensation unless they shall have completed the fifteenth year of age.

ART. 11. The compensation of persons injured by accident who have not completed their eighteenth year of age shall be 75 øre (20.1 cents) per day; for all other persons it shall be 1.20 crowns (32.2 cents) per day.

The compensation is paid for seven days in each week.

Compensation for fractions of a day is not allowed.

ART. 12. The right of compensation is based on the loss of earning power.

The disability is considered as permanent so long as the injured person is not able to resume his work. The disability must be attested by a medical certificate.

The payment of the daily compensation shall not continue for a longer period than one year counting from the day of the accident.

ART. 13. When an accident results in temporary disability only, the daily compensation ceases when the conditions requiring it have disappeared.

When an accident results in permanent disability, and if the conditions mentioned in article 12 are fulfilled, the daily compensation shall be paid until the insurance council has decided upon the invalidity pension: *Provided*, Such decision be made within one year from the day of the accident.

Should an accident result in death, the daily compensation shall be paid under the same conditions, up to the time of death, if death ensues within one year from the date of the accident.

ART. 14. The daily compensation shall be paid to the injured person at the end of each week for the preceding week and the first payment shall be made at the end of the fourteenth week.

ART. 15. At the beginning of the fourteenth week the injured person must transmit to the employer or to the approved insurance company a medical certificate declaring that the conditions necessary for compensation are present. The medical certificate shall be furnished at the cost of the injured person.

The employer or the insurance company may demand that a new medical certificate shall be furnished each week: *Provided*, That they defray the expense.

ART. 16. If the employer pays to the workman full wages when the latter is not entirely able to perform work, the employer is entitled to the daily compensation. If, however, the compensation is higher than the wages, the workman is entitled to the difference.

ART. 17. If an accident results in inability to work which shall be declared by the Workmen's Insurance Council to be permanent disability (invalidity), the person so injured is entitled to compensation in cash. In case the permanent disability is total, this compensation shall be six times an annual salary of 600 crowns (\$160.80). If the disability is partial, the compensation allowed shall be in proportion to the degree of disability. A loss of earning power of less than 10 per cent gives no right to compensation.

ART. 18. In case the accident results in death, the survivors mentioned in the following article shall receive the sum of 2,500 crowns (\$670).

Should there be but one survivor, he shall receive the whole sum, subject to the last sentence of article 19.

Should there be several survivors, the Workmen's Insurance Council shall determine the manner of division of the sum among them.

Should there be no survivor, the person having charge of the funeral shall receive 50 crowns (\$13.40).

ART. 19. If the deceased leaves a widow, she shall be entitled to the compensation, provided the marriage took place before the accident, and that the marriage has not since been dissolved by a separation. The right to compensation ceases if the consorts were separated before the accident or if it is shown that the wife had abandoned her husband before the accident. If the deceased leaves no widow entitled to receive the compensation, the right passes to those of his children of whom he had charge, or who, at the time of the accident, were in fact supported by him. Should there be no child so qualified, the insurance council shall decide if the sum shall be paid, either in whole or in part to other persons supported by the deceased, or to whose support he was contributing at the time of the accident. If the deceased only contributed to the support, the compensation allowed shall not exceed 800 crowns (\$214.40).

ART. 20. If the injured person or his survivors are in receipt of a pension or other relief from the State in virtue of other legal provisions, the right to a compensation



under this law ceases. The same is true of insured persons in the service of communes which have adopted special regulations, approved by the minister of the interior, providing for pensions or relief to be granted to persons injured by accidents, and by virtue of which workmen injured by accident receive benefits equal at least to those provided for by this law.

If the injured person receives from the employer a pension or relief paid from funds established by the employer in virtue of any law or arrangement, the employer has the right, following the decision of the Workmen's Insurance Council, to have paid to himself the whole or a part of the amount of compensation.

### III.—COMPULSORY INSURANCE.

ARTICLE 21. Every employer in establishments mentioned in article 1 (cf. articles 2 and 3) of this law must provide the insurance specified in this law. With the exception of the State and the communes, each employer upon whom rests the duty of insurance shall transfer the risks for which he is responsible to an employer's mutual society, approved by the minister of the interior, or to a company with limited liability. When the latter is charged with the risk the society is substituted for the employer.

The approval of mutual societies takes place when their by-laws receive the approbation of the minister of the interior. These by-laws shall contain the provisions necessary to guarantee the joint liability of their members.

The companies with limited liability are approved for the purpose of insurance under special conditions to be determined in each case by the minister of the interior.

The by-laws of the societies shall contain the necessary provisions relating to admission, payment of premiums, collection and administration of the insurance funds, delays in giving notice, supervision of the medical treatment, etc.

The approval of each society shall be made public. It may be withdrawn by the minister; the withdrawal of the approval must be published in the same manner as the original approval.

ART. 22. An employer who is subject to the present law and who undertakes the execution of any work, is equally considered an employer in respect to the workmen assigned to him by a subcontractor.

When any work is divided among several persons, as for instance, when a portion of the property is leased, each person is considered the employer of the workmen whom he pays.

ART. 23. The premiums due may in case of nonpayment be collected by attachment proceedings. In case of bankruptcy the debts for overdue premiums are treated as are the debts mentioned in article 33, No. 2, of the law on bankruptcy.

The same precedence is granted an injured person or his survivors in cases of claims against an employer who has not transferred his risks to an approved society as provided in paragraph 2, of article 21.

ART. 24. Every employer insured in conformity with this law shall cause to be posted in a place in the establishment easy of access to the workmen a placard stating the name of the society to which he has transferred his risks. These placards shall be furnished to the insured by the companies without cost.

As a receipt for the premium payments, the societies shall deliver to the insured employer an insurance stamp approved by the minister of the interior, and on which is printed the name of the society and the period for which the insurance is in force. These stamps shall be affixed by the insured on a sheet furnished him by the insurance society, and this sheet shall be fastened upon the placard referred to in paragraph 1.

Should the insurance stamp for the current period not be so affixed, any person may give notice to that effect to the competent police authorities, after which prosecution shall be instituted by the public ministry.

### IV.—VOLUNTARY INSURANCE.

ARTICLE 25. The employers' mutual societies which have received the approval provided for in article 21 of this law in so far as relates to the insurance of the risks of employers may also be authorized to accept voluntary insurance against accidents occurring in establishments engaged in agriculture, forestry, or horticulture, regardless of whether such establishments are conducted for profit or not, or whether they have a taxable value of 6,000 crowns (\$1,608) or less.

The same authorization to carry insurance may likewise be accorded to private associations organized on a mutual basis.

The insurance may be contracted for either individually or collectively in case of persons who obtain their livelihood either wholly or in part by working for them-

selves or in the service of another by their labor in establishments engaged in agriculture, forestry, or horticulture in Denmark.

The insurance is in force in conformity with the provisions of this law when the interested party is at the time of an accident employed by the proprietor or by the tenant on an estate the value of which according to the tax registrar does not exceed 6,000 crowns (\$1,608), and is employed in agriculture, forestry, or horticulture, or is himself the proprietor or tenant (*tenancier*) of an estate of this kind, or is the spouse of the proprietor or of the tenant.

Persons who are in the service of the proprietors or of the tenants of establishments mentioned in the preceding paragraph, and who do not take part personally or continuously in the work, are entitled to be reimbursed in whole or in part for the premiums paid by them for the insurance mentioned in this article. These premiums shall not be deducted from the wages which, according to contract, they are to receive.

One-half of the expenses for this class of insurance is defrayed by the state treasury on presentation of the accounts which must be rendered each year, together with all documents confirming the same.

The by-laws must contain provisions relating to the discontinuance of the insurance, the payments to be made by the members, the repayment of assessments, their administration, obligation of making reports, and the supervision of medical treatment.

The provisions of article 20 are not applicable to the insurance provided for by this article.

All documents relating to insurance are exempt from stamp duty.

#### V.—PROCEDURE IN CASE OF ACCIDENT.

ARTICLE 26. Every accident which would seem to give right for the compensation provided for in this law must be reported to the Workmen's Insurance Council by the proprietor of the establishment or by some person who directs in his place at the time of the accident. This report must be made as soon as possible and within eight days at the latest. The report shall show as accurately as possible—

- a. The cause of and the circumstances of the accident;
- b. The condition of the injured person and the time which elapsed up to the first medical treatment;
- c. The place where treatment is being given, and the name of the physician;
- d. If the injured person is a member of a sick fund, and of which;
- e. If the injured person is insured and in what society.

To the report shall be attached a certificate of the attending physician, furnished at the expense of the employer.

The report and the medical certificate shall be made by filling in the forms prescribed by the insurance council.

ART. 27. The insurance council has the right to demand of the employer, of the workman, and of other interested parties, including the attending physician, all facts concerning the accident. The council can require that the injured person submit himself to a medical examination or an interrogation and that a copy of the minutes of the proceedings shall be sent it.

ART. 28. If an injured person claims compensation as provided for in this law, he shall cause himself to be examined by a physician as soon as possible after the accident, and submit to the necessary medical treatment. In case the injured person refuses to do so, or if by reason of the nonobservance of the physician's instructions, the injured person retards his recovery, he shall forfeit his rights, wholly or partly, according to the circumstances.

The employer and the insurance society concerned in the case have the right to have the injured person examined by a physician.

ART. 29. If the employer or his representative (article 26) has not made the prescribed report, the injured person does not lose his right to institute an action in the future; but such action must be begun within one year, counting from the date of the accident.

#### VI.—WORKMEN'S INSURANCE COUNCIL.

ARTICLE 30. Within the Workmen's Insurance Council instituted by the law of January 7, 1898, there is now created a special section for the consideration of all matters arising under this act.

This section shall be composed of the president of the council, who shall likewise be the president of the section, of two members appointed by the Crown, one of whom shall be a physician, and of six persons not members of the council. Of these six persons—

- (a). Two shall be heads of establishments who are obliged to insure their workmen against accidents during work in conformity with the present law;



(b). Two shall be workmen in the establishments mentioned in articles 1 to 3, and who do not conduct on their own account an undertaking covered by the present law;

(c). Two shall be proprietors or tenants of estates as specified in paragraph 4, article 25.

The appointment of the six members above mentioned shall be made by the minister of the interior—as regards the members mentioned under (a) on nomination by the agricultural cooperative associations; as regards the members mentioned under (b) on nomination by the committee provided for in paragraph 3 of article 24 of the law of April 12, 1892, relating to sick funds; as regards the members mentioned under (c) on nomination by the associations of tenant farmers.

For each vacant place three persons shall be nominated, from whom the minister of the interior shall make his selection.

As regards the members specified under (a), (b), and (c) substitutes shall be elected by the same procedure as for the actual members.

Members appointed under (b) take part in all deliberations with the president and the two members appointed by the Crown; members appointed under (c) in deliberations arising under the provisions of article 25; members appointed under (a) in deliberations relating to all other matters.

The general provisions relating to the council are likewise applicable to the present section.

ART. 31. After having collected all necessary information and having given the employer or the recognized insurance society and other interested parties opportunity to learn the contents of the records and to express their opinions, the council shall decide as soon as possible the following questions:

(a). If the accident reported is one which gives a right to compensation in conformity with the present law;

(b). If the facts in virtue of article 17 determining the nature of the compensation are established;

(c). The amount of compensation to be awarded to the workman or his survivors;

(d). The questions in dispute concerning daily compensation.

If the council has failed to follow the prescribed procedure, the decisions referred to above can be contested before the minister of the interior, who can set aside the decision rendered and remand the case for new consideration and decision.

Excepting this case, the decisions rendered relating to questions under letter (a) may be appealed to the minister, while those arising under letters (b), (c), and (d) may not be contested.

The time allowed for appeal is 14 days, beginning with the day the decision was rendered.

The compensation determined upon by the council (letter c) shall neither be increased nor diminished by it thereafter.

ART. 32. When a full year has elapsed after an accident, and the definite consequences of this accident are still undetermined, the council shall nevertheless render a decision, and the amount to be granted to the injured person in such a case can be fixed by the council according to the probable definite consequences which it thinks can be attributed to the accident. The decision rendered in such a case can not be modified at a later time.

If it is not possible to render a decision of this kind by approximation, the council can on request of the injured person render a decision for the time being and the question may be reconsidered at a later time. Such revision, nevertheless, can not be made when two years have elapsed from the date of the first decision.

## VII.—PAYMENT OF COMPENSATION.

ARTICLE 33. If the injured person is more than 30 and less than 55 years of age, the amount awarded as compensation can be paid either as a cash payment or in the form of a life pension, as the injured person may elect. For persons either younger or older the insurance council has the right to purchase for them a life pension even in opposition to their wishes. If women are concerned, where the circumstances seem to demand it, the council may make special arrangements in regard to the investment of the funds in such manner as to safeguard the interests of the children. If the council deem it expedient, in consideration of the mental condition of the injured person, it can purchase for him a life pension, without regard to his age.

The amounts granted to workmen of age shall be transmitted to them in the manner determined by the council to be the most convenient.

The council may order the employer or the insurance society to pay an advance on the amounts due to injured persons, or survivors, when for any cause definite settlement of the award is delayed.

ART. 34. The insurance council shall notify the employer or the insurance society, as the case may be, of the amount which it has decided to allow to an injured person, or his survivors, in case of permanent disability.

The amount shall be paid to the council within 14 days, and receipt therefor given. The sum shall then be immediately paid to the insured person, subject to the provisions of article 33. The life pension is paid by the life insurance company either directly to the injured person, or to his legal representative in the manner determined in each case by the Workmen's Insurance Council.

The daily compensation shall be paid directly to the injured person, unless otherwise provided in this law.

ART. 35. The benefits accruing to an injured person, or his survivors, by the provisions of this law can not be assigned, restrained, or be subject to seizure by creditors.

ART. 36. This law shall not affect the obligation of the employer in regard to the sickness of domestic servants in conformity with the laws on that subject.

ART. 37. Agreements between insured persons and those who are subject to the obligation to insure in derogation of the provisions of this law or stipulating that the insured persons shall pay all or a portion of the premiums required in virtue of Titles I to III are null and void.

ART. 38. When an insured person or his survivors have received compensation under the provisions of this law, he loses all right to claim damages from the employer or other persons under other existing laws concerning civil liability in case of accidents. On the other hand, if the insured person has begun an action for damages against the employer or other person under the existing laws on civil liability, he can no longer claim the benefits of this law, neither immediately nor at a later time, and can not petition a decision of the insurance establishment unless the council by its own accord after taking cognizance of the case shall, on request of the interested parties, authorize the same.

If the council judges it right to inform the insured person or his survivors in writing that in its opinion, the employers or other persons can be sued under the provisions of the law on civil liability, the action instituted on this account shall not constitute an obstacle to later prosecution of claims based on the present law, if the civil action does not terminate in an award of compensation which equals or exceeds the compensation which the council has awarded to the injured person or his survivors in conformity with Title II of this act. In such a case the claimant shall be relieved of costs by the intervention of the council.

ART. 39. The scale of charges for certificates provided for in article 17 of the law of May 13, 1903, amendatory to that of January 7, 1898, relating to compensation for industrial accidents, shall apply with equal force to the medical certificates required by the present law.

The medical certificates necessary to determine a case, and required by the Workmen's Insurance Council, the employer, or the insurance company, must be paid for by the employer, except where the preceding articles contain specifications regarding the obligation to pay these costs, or, if the insurance is contracted for with an approved society, then by the latter.

If it is stipulated in the policies that the certificates of this kind shall not be furnished at the expense of the society, the above provisions are applicable only at the renewal of the policies, and not later than five years after the date on which this law comes into force.

Controversies on the subject of the payment for medical certificates shall be decided by the council. An appeal may be taken from its decisions to the minister of the interior.

ART. 40. A penalty of 50 to 500 crowns (\$13.40 to \$134) may be imposed on the employer who neglects to transfer the risks to which he is subject in conformity with this law to an insurance society approved by the minister of the interior, or who fails to comply with the obligation specified in article 24.

A penalty of 15 to 200 crowns (\$4.02 to \$53.60) may be imposed on an employer or his representative who neglects to report an accident within the time required by article 26.

These cases shall be decided as ordinary police cases.

The penalties imposed in conformity with the present law shall be turned over to the aid funds mentioned in the law of May 4, 1907, or, in the absence of a fund of this kind, to the communal treasury.

ART. 41. This law shall take effect one year after its publication in the Bulletin of Laws (Bulletin des Lois). However, the provisions concerning the section described in article 30, which shall be created in the Workmen's Insurance Council, can be put into force before this date if the minister of the interior so decides.

ART. 42. The Government is authorized to extend by royal decree the present law to the Faroe Islands, with such modifications as may be necessary in view of the special conditions in these islands.

## **FINLAND.**

### **THE ACT RELATING TO THE LIABILITY OF THE EMPLOYER FOR PERSONAL INJURIES SUSTAINED BY THE EMPLOYEE.<sup>(a)</sup> ENACTED AT HELSINGFORS, DECEMBER 5, 1895.**

#### **CHAPTER I.—GENERAL PRINCIPLES.**

**SEC. 1.** An employer in such undertakings as are subject to the provisions of this act is liable to pay to a workman employed in the undertaking who has sustained personal injuries by reason of an accident while at work, a compensation in conformity with the provisions herewith given below.

A personal injury, resulting from an accident while at work, shall not be considered as such when caused either intentionally, or through gross negligence of the injured person himself, or intentionally by some other person than the one charged with the direction or supervision of the work, or when caused by some inevitable event, or any other occurrence, which is in no way connected with the nature of the work performed, or the conditions under which the same is carried on.

**SEC. 2.** The following undertakings are subject to the provisions of this act:

(a) Pits, mines, factories, quarries, stonecutting workshops, sawmills, breweries, distilleries, as well as such factories and other trades, operated like factories, in which smelting or reverberatory furnaces, boilers or machinery are being used, which are driven by means of steam, water, wind, electricity, or by any other natural force, as well as undertakings in which explosives are being manufactured or used in connection with their business.

(b) Construction undertakings relating to railroads, canals, harbors, wharf structures or lighthouses, as well as large bridge works carried on at the expense of the State or of a community.

(c) Church and factory buildings; also the construction of houses over one story high in cities or boroughs, likewise similar works in the country when carried on at the expense of the state, or a community, or any other municipality.

(d) The laying or maintenance of public water, sewer, or gas pipes.

(e) Establishments whose object is the laying or maintenance of electric conduits, or the promotion of public traffic on railroads, or on other railways; and

(f) Establishments in which the unloading and loading of goods is carried on as a trade, likewise salvage and diving undertakings, and lastly the trade of chimney sweeping.

**SEC. 3.** An employer is one on whose account the undertakings enumerated in section 2 are carried on or run.

In case the performance of the works, enumerated under subdivisions (b), (c) or (d) of section 2, is delegated as a whole to a person who is professionally engaged in the performance of such work, such person is to be considered an employer.

In case one delegates a fixed portion of a work to another person, he has the right to impose upon that person the duties incumbent upon the employer under this act; he shall, however, be responsible for the performance of said duties by that person.

By the term employee, under this act, is meant a person who directly occupies himself with the performance of the work, not he, however, who merely supervises the work.

**SEC. 4.** Against possible accidents which may result in permanent loss, or permanent impairment of the capacity for work (invalidity), or in the death of the injured person, an employer who carries on an undertaking mentioned in section 2, shall guarantee to his workmen and their legal successors the right to a yearly compensation granted them under this act, by insuring them in one of the institutions enumerated in section 17, in case such an institution is in the country and accepts such insurance. As long

<sup>a</sup>Translated from the German translation, in *Die Arbeiter Versicherung im Auslande*, von Dr. George Zacher. Heft X, Berlin, 1899, pp. 21-35.

as such insurance is maintained the employer is released from liability for injuries of the kind mentioned, and the employee must apply directly to the institution concerned.

Any sickness caused by an accident and lasting over one hundred and twenty days after such accident has occurred, shall, under this act, be equivalent to invalidity.

SEC. 5. Undertakings carried on on the account of the State, or of a community are not subject to the compulsory insurance mentioned in section 4.

SEC. 6. An employer may be released by the Senate from the compulsory insurance incumbent upon him under this act, upon filing and having approved by the Senate a bond for the performance of his liabilities with regard to any contingent accidents of the kind mentioned in section 4.

Such a release, however, may be granted but for three years, at most.

In case an accident of a kind just mentioned has occurred, the employer must, in addition, observe the provisions enumerated in section 15.

SEC. 7. In case the employer has contributed at least one-third towards the payments to the relief funds from which the workman is entitled to draw benefits both in accidents met with while at work and in sickness, the amount of benefits paid out of such funds to a workman in consequence of an accident met with while at work, is to be deducted from the amount of the compensation which the employer is bound to pay under this act.

## CHAPTER II.—AS TO THE AMOUNT OF COMPENSATION.

SEC. 8. A workman who, through an accident while at work, has sustained personal injuries resulting in a temporary incapacity for work shall, in case the incapacity is complete, draw, from the seventh day after the accident, a daily compensation of sixty per cent of his average daily wage; it shall not, however, exceed two (Finnish) marks and fifty penni [48 cents] per day.

In case by reason of the accident a temporary impairment of the capacity for work is caused, the contribution towards the maintenance of the injured person shall be such a fraction of the compensation provided in the preceding paragraph as shall be proportionate to that impairment of the capacity for work.

The average daily wage is to be computed by dividing by 360 the total amount earned by the injured person in the undertaking during the entire year preceding the day of the accident, or by the number of days he did work there, Sundays and holidays included, in case the injured person was not employed in the undertaking the entire year.

In case the injured person was employed in an undertaking in which by reason of the nature of the establishment, the work preferably lasts but a part of the year, the daily wages the loss of which he has incurred are to be estimated according to the rules of equity.

SEC. 9. In case a workman, while at work, has sustained personal injuries by reason of an accident resulting in permanent loss or impairment of his capacity for work, he shall receive an annual compensation from the day on which he has been restored to health from the injuries sustained; the amount of this compensation shall correspond, in case of total disability, to sixty per cent of his previous yearly earnings; and in case a mere impairment of his capacity for work results from the injury, it shall correspond to such a fraction of the amount, which would have to be paid in case of total disability, as shall be proportionate to the impairment.

In case the compensation amounts to less than twenty marks [\$3.86] per year, the same may be adjusted by mutual agreement of the parties, by means of one lump payment once and for all.

In case a personal injury has not healed within one hundred and twenty days from the day it was sustained, the injured person shall be entitled to draw a compensation calculated on the basis of paragraph 1, from the hundred and twenty first day until his recovery.

Until the number of days just mentioned has elapsed, or in case the injury has healed, if at all, prior thereto, the compensation to be paid must be in accordance with section 8.

The amount earned by the injured person during the last year of employment in the same or in a similar undertaking is to be taken as a basis in calculating the compensation specified in this section, or, in case the injured person had no such employment for a year, the amount should be estimated on what would be for him an equitable yearly income; in no event, however, shall the yearly income be rated so as to exceed the sum of seven hundred and twenty marks [\$138.96].

In case the yearly income is below the amount of three hundred marks [\$57.90], that amount is nevertheless to be taken as a basis in calculating the compensation; an injured



workman having reached the age of twenty-one, shall not, however, receive an annual compensation exceeding his earnings for the year.

SEC. 10. In case a workman by reason of an accident while at work sustains personal injuries resulting in his death, the widow, while remaining single, shall receive, besides the amount provided for in sections 8 and 9, an annual compensation of twenty per cent of the yearly earnings of the deceased, and each surviving child shall receive, up to the age of fifteen, ten per cent of that amount, in case one of the parents is living, and twenty per cent in case both are dead; the total compensation to widow and children shall not, however, exceed forty per cent of the yearly earnings of the deceased.

The computation of the earnings of the deceased should be on the basis of the principles fixed in paragraphs 5 and 6 of section 9.

SEC. 11. Under the earnings shall be included, beside the wages in specie, the payments in kind which must be estimated according to the local market-price, any share in the profits, and similar incomes.

SEC. 12. In case the injured workman marries after an accident which subsequently results in death, the widow and child born of such marriage shall be entitled to no compensation.

In case a widow receiving a yearly compensation re-marries, she shall have the right to receive once and for all, at the marriage, a lump-sum corresponding in amount to two years' compensation.

SEC. 13. In case a Finn acquires citizenship in another country, or in case a person belonging to another country returns thither, any right to an annual compensation henceforth expires; a sum of money equivalent to what he would have been entitled to in the course of two years may, however, be awarded him.

SEC. 14. An injured workman, up to his recovery, is obliged to be contented with the care and support in a hospital, in place of the compensation fixed in section 8.

During the time he is under treatment at the hospital, his wife and children under 15 shall receive the benefit specified in section 10.

SEC. 15. In case an employer, in accordance with the provisions of section 6, has been released from the duty of compulsory insurance imposed upon him by this act, or in case said duty can not be fulfilled by reason of the nonexistence, in the country, of an institution which would insure his undertaking, he shall be obliged, in case a workman, while at work, has sustained any of the injuries specified in section 4, to guarantee the amount of compensation due to the injured or his legal successors, by transferring the payment-obligation to some life-pension annuity institution, or life-annuity insurance company whose main office is in Finland. Such a measure shall be taken within thirty days after the amount of compensation has been fixed by mutual agreement or by court judgment.

### CHAPTER III.—AS TO THE ENFORCEMENT OF THE INSURANCE AND AS TO INSURANCE INSTITUTIONS.

SEC. 16. The employer is obliged to provide the insurance at his own expense, and that not later than thirty days after this act has taken effect, or, for establishments which have come into existence later, within the same period after their opening; likewise, the employer is obliged to maintain such insurance intact.

In case a workman has, through an accident at work, sustained one of the injuries mentioned in section 4 before the arrangements for insurance have been effected, or in case the employer has failed to effect or to maintain intact said insurance, and such an injury then takes place, the provisions specified in section 15 are to be applied to the employer.

SEC. 17. The employer may make an insurance-contract with one of the following institutions:

(a) Such insurance-institutions in Finland as may be established by arrangement of the State;

(b) private accident-insurance institutions with main offices in Finland provided they have procured a license from the Senate to issue insurance in accordance with this act;

(c) such accident-insurance institutions as are founded on the basis of mutual liability of the participants, the establishment of which was permitted by the Senate after investigation especially as to their means properly to carry out this insurance; and

(d) foreign insurance institutions which seem able to offer sufficient guarantees to the Senate to issue this kind of insurance; with the proviso, however, that in case one of the accidents enumerated in section 4 takes place the payment of the annual compensation due to the injured or his legal successors, in the manner and within the

period fixed in section 15, shall be guaranteed through a provision made by the insurance-institution.

SEC. 18. It shall be the duty of the Senate to provide for the supervision of the institutions which have procured a license to issue insurance in accordance with this act.

**CHAPTER IV.—AS TO THE FIXING AND PAYMENT OF THE AMOUNT OF COMPENSATION; AND AS TO THE PERIOD WITHIN WHICH TO PRESENT CLAIMS FOR COMPENSATION.**

SEC. 19. In case a workman has met with an accident which may result in his death or in permanent loss or impairment of his capacity for work, the employer, or his representative, shall immediately report it to the police-station, magistrate, municipal court, or local officer of the Crown according to a fixed blank form, so that in compliance with the detailed regulations to be issued by the Senate, an investigation may be instituted on the spot.

SEC. 20. Claims, under this act, for compensation on insurance institutions shall be presented against the institution concerned not later than one year after the accident, or in case of death, within the same period after the death.

Not later than thirty days after a claim for compensation has been presented upon an insurance institution, and the circumstances upon which the amount of compensation depends have been investigated in the manner prescribed, a written communication on the part of the institution shall be forwarded to the injured person or his legal successors stating whether a compensation will be paid or not, and, if so, in what amount; this communication must also contain the reasons for the decision.

In case the ultimate results of a personal injury can not as yet be estimated with the required certainty at the time when the claim for compensation is presented or investigated, the amount of compensation is to be fixed provisionally until one of the parties furnishes new data for the decision of the case.

In case a person entitled to compensation is not satisfied with the decision of the insurance institution, he may within one year after learning of the decision institute an action in the manner prescribed in section 30.

SEC. 21. The payment of a yearly compensation shall be made in advance four times a year at equal intervals; in case the amount does not, however, exceed 40 marks [\$7.72] it may be paid in two installments, and in case it does not exceed twenty marks [\$3.86], it may be paid once a year.

SEC. 22. The compensation which an insurance institution is under this act liable to pay, shall be paid in the city or, if the company has agents out of town, by the agent that the person entitled to compensation shall designate.

SEC. 23. In case a material change occurs in the circumstances which were decisive in fixing the amount of the yearly compensation, and in case either the person entitled to compensation or the insurance institution, by reason thereof, demands a revision of the specified amount, then, in case an amicable adjustment can not be reached, an action is to be instituted in the proper court.

SEC. 24. In case a workman was not insured against accident in conformity with the above mentioned provisions, or in case insurance was not necessary under this act, or if the communication specified in section 20, paragraph 2, was not furnished to the one entitled to compensation, then the party, who regards himself entitled to compensation under this act, may institute an action therefor. Such an action shall be brought in the City Court within two years, and in the Rural Court not later than during the first court term taking place two years after the day the injury was sustained, in case it did not end fatally, and two years from the day of death, in case the injury resulted in death.

**CHAPTER V.—AS TO PENALTIES FOR VIOLATIONS OF THIS ACT.**

SEC. 25. Should an employer or, as in the case specified in section 3, paragraph 3, the person on whom his responsibility devolves, neglect to insure his workman in conformity with the provisions contained in sections 4 and 16, he shall be liable to a fine of from fifty to one thousand marks [\$9.65 to \$193], and the court shall direct him, under penalty of a fine, to effectuate such insurance within a fixed period not to exceed thirty days.

In case the defendant had reason to assume that his undertaking was not subject to the provisions of this act, he shall be released from the fine.

As to the question whether a given undertaking is of that nature or not, the court may, if found necessary, obtain the opinion of the department of industries.

SEC. 26. Should the employer or his representative, or the person on whom his responsibility devolves, as mentioned in section 3, paragraph 3, neglect any one of



the duties imposed upon him by this act, he shall be liable to a fine up to the amount of two hundred marks [\$38.60].

Should an employer or his representative wilfully make misstatements, he shall be liable to a fine of from fifty to five hundred marks [\$9.65 to \$96.50], except where a higher penalty is provided by law.

#### CHAPTER VI.—SPECIAL PROVISIONS.

SEC. 27. An employer is obliged to keep a record of wages and similar allowances a workman has received, in such a manner as to clearly indicate, with reference to the provisions of sections 8, 9 and 10, what wages the workman received in the establishment; on demand, this record must be shown to the trade-inspector and to the police-authorities.

SEC. 28. A person to whom a compensation has been awarded under this act, is not thereby prevented from claiming damages for the consequences of the sustained personal injuries by means of an action at law; the amount thus recovered shall not, however, exceed the sum by which such damages exceed the above mentioned compensation.

Employers and insurance institutions are likewise entitled to claim full damages for what they were compelled under this act to pay, from a third party that can be compelled to pay the compensation.

SEC. 29. Contracts whereof the object is to restrict, annul or to assign to a third party the right to compensation provided by this act, are void; nor shall such compensation be liable to judicial seizure for debt.

SEC. 30. Actions relating to compensation for accidents at work are to be brought in the lower court of first instance in whose jurisdiction the accident has occurred, or in the court to which the employer is subject to actions for claims.

SEC. 31. It shall be the duty of the Senate to provide in what manner the enforcement of the insurance above prescribed is to be supervised, also to give such detailed directions as may be required to enforce this act.

SEC. 32. This act takes effect on the 1st day of January, 1898.

## FRANCE.

### ACT OF APRIL 9, 1898, RELATING TO THE RESPONSIBILITY FOR ACCIDENTS IN WHICH WORKMEN ARE INJURED DURING THEIR EMPLOYMENT, AS AMENDED BY THE ACTS OF MARCH 22, 1902, MARCH 31, 1905, AND APRIL 17, 1906.<sup>(a)</sup>

#### TITLE I.

##### *Compensation in case of accidents.*

**ARTICLE 1.** Accidents due directly or indirectly to their work, occurring to workmen and employees occupied in the building trades, in mills, factories, and workyards, in the business of transportation by land and water, in that of loading and unloading, in public storehouses, mines, surface mines, quarries, and, furthermore, in every enterprise or branch thereof in which explosive materials are manufactured or used, or in which a machine operated by a power other than that of man or animals is employed, shall give the right to a compensation, at the expense of the head of the establishment and for the benefit of the injured person or his representatives, provided that the interruption of work by reason of said accidents shall exceed four days.

Workmen who are usually employed alone cannot be included under the present act on account of the fact of the accidental co-operation with them of one or more of their fellow workmen.

**ART. 2** (amended by the act of March 22, 1902). Workmen and employees designated in the preceding article cannot have recourse to any provisions other than those of the present act on account of accidents happening to them while at their work.

Those whose annual salary exceeds 2400 francs (\$463.20) can be beneficiaries under these provisions only up to that amount. For the excess they are entitled to only one-fourth of the pensions specified in article 3, unless the amount of the share has been increased by express agreement.

**ART. 3** (amended by the act of March 31, 1905). In the cases considered in article 1 the workman or employee is entitled:

For total and permanent disability, to a pension equal to two-thirds of his annual salary.

For partial and permanent disability, to a pension equal to one-half of the reduction of salary which the accident shall have caused.

For temporary disability, in case the incapacity for work shall continue over four days, to a daily compensation, without distinction as to working days, Sundays and holidays, equal to one-half of the wages received at the time of the accident, unless the wages are variable; in such case, the daily compensation shall equal one-half of the average wages for the working days during the month preceding the accident. The compensation begins with the fifth day after that of the accident, yet it may accrue from the first day in case the incapacity for work shall continue over ten days. The daily compensation is payable at the usual times and place of payment in the establishment, the intervals not to exceed sixteen days.

In case death follows the accident, a pension is paid under the following conditions, to the persons indicated below, beginning at the time of the death:

A. A life pension equal to 20 per cent of the annual salary of the deceased to the surviving consort, when neither divorced nor separated, provided that the marriage was contracted prior to the accident.

In case of remarriage, the survivor's right to the aforesaid pension ceases; a lump-sum compensation, three times the amount of the annual pension, shall be allowed in this case.

B. For children, legitimate or illegitimate, acknowledged before the accident, bereft of father or of mother, and under 16 years of age, a pension based on the annual

<sup>a</sup> From *Recueil de documents sur les accidents du travail*. Reunis par le ministère du travail et de la prévoyance sociale. No. 14. Paris, 1911.

salary of the deceased, at the rate of 15 per cent of this salary in case there is but one child, 25 per cent in case there are two, 35 per cent in case there are three, and of 40 per cent in case there are four or more children.

The pension for children whose father and mother are both dead, is rated at 20 per cent of the salary.

The total amount of these pensions shall not, in the first case, exceed 40 per cent of the salary, or 60 per cent in the second.

C. In case the decedent leaves neither consort nor child, according to the provisions in subdivisions A and B, each of the ascendant and descendant kinsfolk dependent on the deceased for support, shall receive a life pension in the case of the ascendants, and a pension payable until the age of sixteen years in case of the descendants. This pension shall be equal to 10 per cent of the annual salary of the deceased, except that the total amount of the pension thus granted must not exceed 30 per cent.

When occasion requires, each of the pensions provided in subdivision C shall be proportionately reduced.

The pensions fixed under the present act are payable at the residence of the beneficiary, or at the principal town of the district of that residence, and, in case they are issued by the National Retirement Fund, by the institution's representative designated by the beneficiary.

They are payable quarterly and on expiration of the term, yet the court may direct the advance payment of one-half of the first stipend.

These pensions cannot be transferred or attached.

Alien workmen injured in accidents, who cease to reside in French territory, shall receive as compensation in full, an amount equal to three times the annual pension granted to them.

The same applies to their alien legal successors ceasing to reside on French territory, except that then the amount shall not exceed the actual value of the pension as per schedule mentioned in article 28.

The alien representatives of an alien workman shall receive no compensation, in case they were nonresidents of French territory at the time of the accident.

The provisions of the three preceding paragraphs may be modified, however, by treaties—within the limit of the compensations provided in the present section—in behalf of aliens whose native countries guarantee equivalent privileges to our citizens.

ART. 4 (amended by the act of March 31, 1905). The cost of medical attendance, medicine and funeral expenses must be borne by the employer. The maximum allowance for funeral expenses is the sum of 100 francs [\$19.30].

The injured person may always choose for himself his physician and his pharmacist. In this case the employer can be held liable for physician's and pharmacist's bills only to the amount of the sum fixed by the justice of the peace of the district where the accident occurred, according to a schedule which is fixed by decree of the minister of commerce, on recommendation from a special commission comprising representatives of associations of physicians and pharmacists, of unions of workmen and of employers' associations, of accident insurance companies, and of guarantee associations and can be changed only at intervals of two years.

In addition to the obligations contained in article 3, the employer alone is held liable in all cases, for hospital expenses which, altogether, shall not exceed the rate fixed for applying article 24 of the act of July 15, 1893, increased by 50 per cent, but in no case to exceed 4 francs [77 cents] a day in Paris, or 3½ francs [68 cents] elsewhere.

Physicians and pharmacists or hospital institutions may bring action against the employer directly.

In the course of treatment, the employer may designate to the justice of the peace a physician to be charged to report on the condition of the injured person. This appointment, duly certified by the justice of the peace, shall give the physician access every week to the injured person, in the presence of the attending physician who shall be notified two days in advance by registered letter.

In case the injured person refuses to permit this visit, the payment of the daily compensation shall be suspended by order of the justice of the peace who shall summon the injured person by a registered letter.

In case the physician certifies that the injured person is in a condition to resume his work, and the patient denies it, the employer may, when it is a question of temporary incapacity, apply to the justice of the peace for a medical examination which shall take place within five days.

ART. 5. During the thirty, sixty or ninety days next following the accident, employers may be released from the obligations of paying the injured person the costs of the illness and the temporary compensation, or a part only of this compensation, as hereafter specified, if they can prove:

1st. That they have made their workmen members of mutual aid societies and place to their credit a certain share of the dues, said amount to be determined by mutual

agreement and in conformity with the standard constitution approved by the proper minister, but this share shall not be less than one-third of the dues.

2nd. That in case of injuries, these societies guarantee to their members medical treatment, medicine and a daily compensation for thirty, sixty or ninety days.

If the daily compensation paid by the society is less than half the daily wages of the injured person, the employer is obliged to make good the deficiency.

ART. 6. Operators of mines, surface mines and quarries may be released from the obligations for expenses and compensations mentioned in the preceding article by means of an annual contribution paid to the funds or mutual aid societies organized in these establishments under the provisions of the act of June 29, 1894.

The amount and conditions of this contribution shall be acceptable to the society and approved by the minister of public works.

These two provisions shall apply to all other employers who have established special benefit funds in favor of their workmen in conformity to Title III of the act of June 29, 1894. The above approval will be granted in appropriate cases by the minister of commerce and industry.

ART. 7 (amended by the act of March 22, 1902). Independently of action under the present act, the injured person or his representatives retain the right under the rules of common law, to claim reparation for injuries from parties responsible for the accident, other than the employer or his workmen and foremen.

The compensation allowed them shall relieve the employer, to that extent, of the obligations charged against him. In case the accident has caused permanent disability or death, this compensation shall be bestowed in the form of a pension payable by the National Retirement Fund.

Besides this grant in the form of a pension, third parties recognized as liable may be sentenced to pay other indemnities and expenses provided in the above articles 3 and 4, either to the injured person or to the employer in case the latter becomes party in the case.

This action against responsible third parties may be brought even by the employer at his own risk and peril, in the stead and place of the injured person or his legal successors, in case the latter neglect to make use of it.

ART. 8. The salary to serve as a basis for fixing the compensation to be allowed a workman under sixteen years of age or an apprentice who has met with an accident shall not be less than the lowest wages of able-bodied workmen of the same class engaged in the establishment.

In case of temporary disability, however, the compensation of a workman under 16 years of age cannot exceed the amount of his salary.

ART. 9. At the time of the definite adjustment of the life pensions, after the expiration of the term of revision provided in article 19, the injured person may demand that one-fourth, at most, of the capital necessary for the establishment of this pension, calculated according to the tables previously prepared for persons injured in accidents by the Old Age Pension Fund, shall be paid to him in cash.

The injured person may also demand that this capital, or the capital reduced by one-fourth at most, as has just been said, shall constitute a life pension, in his or her name, revertible to the amount of one-half, at most, to the surviving consort. In this case the life pension shall be reduced in such a manner that the revertibility shall not entail any increase of charges upon the employer.

The court, in chambers, shall decide on such applications.

ART. 10 (amended by the act of March 31, 1905). As salary serving as a basis for fixing the pension, for a workman employed in the establishment during the twelve months prior to the accident, shall be understood the actual remuneration allowed him during that time, either in money or in kind.

For workmen employed less than twelve months prior to the accident, as salary shall be understood the actual remuneration which they have received since entering the establishment, plus the pay which they could have received during the period of work necessary to complete the twelve months, based on the average rate of wages for workmen of the same class during the said period.

In case work is not continuous the annual salary is calculated both on the basis of the pay received during the period of active employment and of the workman's earnings during the remainder of the year.

If, during the periods referred to in the preceding paragraphs, the workman has been unemployed through exceptional circumstances and for causes beyond his control, the average salary corresponding to these periods of unemployment must be taken into account.

## TITLE II.

*Reporting of accidents, and judicial inquiry.*

**ARTICLE 11** (amended by the act of March 22, 1902). Every accident which occasions incapacity for work must be reported by the employer or his foremen within forty-eight hours, exclusive of Sunday and holidays, to the mayor of the commune, who shall prepare an official report thereon and immediately acknowledge receipt thereof.

The notification and the official report thereon shall state, in the form fixed by decree, the name, occupation, and address of the employer, the exact place, time and nature of the accident, the circumstances under which it occurred, the nature of the injuries, and the names and addresses of witnesses.

In case the injured person does not in the meantime resume work, the employer shall, within four days following the accident, file at the mayor's office, where an acknowledgment of receipt shall at once be given him, a physician's certificate describing the condition of the injured person, the probable results of the accident, and the time when it will be possible to know the result definitely.

The report of the accident may be made under the same conditions by the injured person or his representatives within the year following the accident.

Notice of the accident, in the forms fixed by decree, is immediately to be given by the mayor to the departement inspector of labor or to the regular mining engineer charged with the supervision of the establishment.

Article 15 of the act of November 2, 1892, and article 11 of the act of June 12, 1893, shall no longer apply in the cases under the provisions of the present act.

**ART. 12** (amended by the act of March 22, 1902). Within twenty-four hours following the filing of the certificate, and not later than five days after the report of the accident, the mayor shall transmit to the justice of the peace of the district in which the accident has occurred the report and either the physician's certificate or an attestation that no certificate has been produced.

When, according to the physician's certificate produced under the provisions of the preceding paragraph or subsequently transmitted by the injured person to the justice of the peace, the injury seems likely to result in death or a permanent incapacity, total or partial, for work, or in case the injured person is already dead, the justice of the peace shall, within twenty-four hours, institute an inquiry in order to ascertain:—

- 1st. The cause, nature and circumstances of the accident.
- 2nd. The persons injured, the place where they are and the place and date of their birth.
- 3rd. The nature of the injuries.
- 4th. The heirs having right to claim compensation in the case, and the place and date of their birth.
- 5th. The daily and yearly wages of the persons injured.
- 6th. The insurance company in which the employer was insured, or the guaranty association with which he was affiliated.

The fees of the justice of the peace and his registrar, fixed in pursuance of article 29 of the present act and article 31 of the finance act of April 13, 1900, shall be advanced by the treasury.

**ART. 13.** After having heard the adverse parties, the inquiry is to be conducted in the manner prescribed in articles 35, 36, 37, 38 and 39 of the Code of Civil Procedure in the presence of the interested parties or of those summoned by registered letter.

The justice of the peace must go to the person injured in the accident in case the latter is found to be unable to be present at the inquiry.

If the medical certificate does not seem satisfactory, the justice of the peace may designate a physician to examine the injured person.

He may also appoint an expert to assist him in the inquiry.

No expert shall be appointed in establishments under governmental supervision, nor in those of the State placed under control of a service distinct from the service of administration, nor in national undertakings where work is carried on which the public welfare requires to be kept secret. In these several cases, the officers charged with the superintendence or management of these undertakings or establishments, and, as regards mining enterprises, the men deputed to safeguard workmen in mines, shall transmit to the justice of the peace a copy of their report to be attached to the official report of the inquiry.

Except in cases where it is physically impossible, duly attested in the official report, the inquiry should be in the briefest possible period and, at the latest, within ten days after the accident. The justice of the peace, by a registered letter, shall



notify the parties of the close of the inquiry and of the filing of the minutes at the registrar's office where, for a period of five days, they may examine them and have a copy thereof made for them free of stamp duty and registry fee. At the expiration of this period of five days the file (dossier) of the inquiry is to be sent to the president of the civil court of the district (Arrondissement).

ART. 14. Employers or their foremen who violate the provisions of article 11 are punishable by a fine of from 1 to 15 francs [19.3 cents to \$2.90].

In case of a second violation within the year, the fine may be increased to from 16 to 300 francs [\$3.09 to \$57.90].

Article 463 of the Penal Code applies to the violations of the provisions of the present article.

### TITLE III.

#### *Authority, jurisdiction, procedure, revision.*

ARTICLE 15 (amended by the act of March 31, 1905). Disputes concerning both funeral expenses and temporary compensations, whatever figure the claim may reach and within the fifteen days from the presentation of the claim, are to be settled in the last resort by the justice of the peace of the district where the accident occurred.

Temporary compensation is payable up to the day of death or until the healing of the injury, that is, till the day when the injured person has either fully recovered or has definitely reached the stage of permanent disability; in this last case, this compensation shall continue to be paid until the final decision provided in the following article, subject to the exemption under the provisions of the fourth paragraph of said article.

In case one of the parties, supported by a physician's certificate, maintains that the disability is permanent, the justice of the peace must declare himself to have no jurisdiction in the matter by a decision of which he shall, within three days, transmit a copy to the president of the civil court, at the same time fixing the amount of the daily compensation, in case he has not done so previously.

The justice of the peace has jurisdiction in claims for payment of medical and pharmaceutical expenses to the amount of 300 fr. [\$57.90] where it is final, and regardless of the amount these claims may reach, subject to appeal within fifteen days of the decision.

The decisions of the justice of the peace as to the daily compensation are to be executed notwithstanding appeal, but these decisions are subject to review on appeal, for violation of law.

When the accident has occurred in foreign territory, that justice of the peace has jurisdiction according to the terms of article 12 and of the present article, who belongs in the district where the undertaking or the depot is located with which the injured person is connected.

When the accident has occurred in French territory outside the district where the undertaking or the depot is located with which the injured person is connected, the justice of the peace of this last district shall have jurisdiction by exception, on application of the injured person or his representatives, addressed in the form of a registered letter, to the justice of the peace of the district where the accident has occurred, provided the latter has not already taken up the case according to the provisions of the present article, or has not concluded the inquiry as provided by article 13. An acknowledgment of receipt is immediately sent to the applicant by the registrar who notifies at the same time both the employer and the justice of the peace who has acquired jurisdiction, and transmits to this officer the file of the inquiry, if any, immediately upon its conclusion, notifying the parties in conformity to article 13.

If, after the transmission of the file (dossier) of the inquiry to the president of the court at the place of the accident, and before the summoning of the parties, the injured person or his legal successors prove that, before the close of the inquiry, he (or they) could not avail himself (or themselves) of the opportunity provided in the preceding paragraph, the president may, upon understanding with the parties, give up the file and transmit it to the president of the court of the district (arrondissement) where the undertaking, or the depot is located with which the injured person is connected.

ART. 16 (amended by the act of March 31, 1905). As to the other compensations provided by the present act, if the injured person has died before the conclusion of the inquiry, or, in the opposite case, within the five days after the most diligent party has produced either the certificate of the registry of death or a written agreement of the parties, acknowledging the permanent character of the disability, or, again, within five days from receipt of the decision of the justice of the peace, referred to in the third paragraph of the preceding article, or, finally, in case none of these instruments has been submitted to the court, within the five days preceding the expiration



of the period of statutory limitation provided by article 18, when the date of that expiration is made known to him, the president of the district (arrondissement) court within five days after the transmission of the file, has the right to summon the injured person or his legal successors, the employer (who may be represented), and the insurer, if any. By consent of the parties, he may appoint an expert whose report must be filed within the period of eight days.

In case of agreement between the parties conformably to the provisions of the present act, the compensation is definitely fixed by order of the president, who delivers an official certificate thereof, indicating, under penalty of becoming void, the wages used in the computation and the reduction which the accident caused in the earnings.

In case of disagreement, the parties sue before a court chosen by the most diligent party, which shall summarily decide the matter agreeably to Title XXIV of Book II of the Code of Civil Procedure. Its decision is to be executed by judicial decree.

In this case, the president by his decree, and without appeal, may substitute for the daily compensation an allowance below half-pay or grant an allowance to the legal successors within the same limit. These allowances may be granted or modified in courts having original jurisdiction by means of reference without appeal. These allowances are untransferable and unattachable and are payable under the same conditions as the daily compensation.

The pensions begin to accrue on the day of death or of healing of the injury, and do not accumulate with the daily compensation or the allowance.

In cases where the amount of the compensation or of the allowance exceeds the pension due up to the date of fixing the pension, the court may order that the excess shall be deducted from the subsequent pension installments in the proportion which it may determine.

If there is any insurance, the order of the president or the judgment fixing the pensions granted specifies that the insurer is the substitute of the employer, under the provisions of Title IV, so as to prevent the injured person from having any recourse against said employer.

ART. 17 (amended by the act of March 22, 1902). The judgments rendered under the present act are subject to appeal according to the provisions of common law. But the appeal, with the exception made by the provisions of article 449 of the Code of Civil Procedure, must be filed within thirty days from the date of the judgment, if the latter is contested; and if by default, within the fifteen days from the date beyond which an appeal will no longer be admissible.

The appeal shall no longer be receivable in case of judgment by default against a party, when the judgment has been served on a person, after the period of fifteen days from the date of this legal notice.

The court shall decide as soon as possible within the month of the date of the appeal. The parties may enter petition of appeal to a higher court.

Whenever a medical examination shall be ordered, either by the justice of the peace, by the court or by the court of appeals, the expert must not be the physician who attended the injured person, nor a physician connected with the establishment or the insurance company with which the employer is affiliated.

ART. 18 (amended by the act of March 22, 1902). The action of compensation provided by the present act is lost by limitation within one year from the date of the accident, or from the close of the inquiry by the justice of the peace, or from the cessation of the payment of the temporary compensation.

In pursuance of the present act, article 55 of the act of August 10, 1871, and article 124 of the act of April 5, 1884, do not apply to actions brought against the departements or the communes.

ART. 19 (amended by the act of March 31, 1905). The application for revision of compensation, based on an increase or decrease of the injured person's disability, or his death as a result of the accident, may be made during three years, counting either from the date on which the daily compensation ceases to be due, in case no pension has been assigned, or from the agreement between the parties or from the judicial decision rendered as a final judgment, even in case a lump-sum has superseded the pension as provided in article 21.

The conditions of authority and of procedure, fixed by articles 16, 17 and 22, apply in all cases to the review. The president of the court is notified by means of a simple declaration at the registrar's office.

In case an agreement is reached between the parties, in conformity to the provisions of the present act, the amount of the readjusted pension is fixed by order of the president, who delivers an official certificate of this agreement, specifying, under penalty of becoming void, the increase or decrease of the infirmity.

In case of disagreement, the case is referred to the court chosen by the most diligent party, which may summarily dispose of the matter as provided for in article 16.

In the course of the three years during which the right of action in review may be exercised, the employer may designate to the president of the court a physician commissioned to keep him informed as to the condition of the injured person.

This designation, duly endorsed by the president, shall give said physician access to the injured person at intervals of three months. If the injured person refuses to permit this visit, all payment of pension installments shall be suspended by order of the president who shall summon the injured person by registered letter.

The applications provided by article 9 must be made to the court, at the latest, within the month following the expiration of the period allowed for the action in review.

ART. 20 (amended by the act of March 22, 1902). None of the compensations fixed by the present act can be granted to an injured person who has intentionally brought about the accident.

In case it is proved that the accident was due to inexcusable negligence on the part of the workman, the court has the right to reduce the pension provided in Title I.

When it is proved that the accident was due to inexcusable negligence on the part of the employer or of those who are his substitutes in the management, the compensation may be increased, but so that the pension or the total of the pensions granted should not exceed either the reduction in or the amount of the annual wages.

In case of criminal prosecutions, the documents of the procedure shall be made known to the injured person or his legal representatives.

The employer or his legal representatives shall have the same right.

ART. 21 (amended by the act of March 31, 1905). After the amount of the compensation due the person injured in the accident has been determined, the parties may at any time decide that the payment of the pension shall be suspended and replaced, so long as the agreement exists, by some other mode of compensation.

Except in the cases provided under article 3, the pension can be replaced by the payment of a lump sum only when not above 100 fr. [\$19.30], and if the beneficiary is of age. This redemption of a pension can be put into effect only in accordance with the schedule specified in article 28.

ART. 22 (amended by the acts of March 22, 1902, and April 17, 1906). Subject to the approval of the attorney of the Republic the privilege of legal aid before the president of the civil court and before the court is accorded, of right, to the person injured in an accident or his legal representatives.

The attorney of the Republic shall proceed as prescribed in article 13 (paragraphs 2 and the succeeding) of the act of January 22, 1851, as amended by the act of July 10, 1901.

The privilege of judicial assistance applies of right to the writ of appeal, and, when the case is withdrawn, to the writ by which the nonsuit of the appeal is served. The first president of the court, in compliance with an application addressed to him to that effect, shall designate the attorney-at-law to the court, whose selection shall appear in the writ of appeal, and shall appoint a summoner to serve it.

If the person injured in the accident applies to the bureau of legal aid to obtain the privilege thereof with a view to the whole procedure of appeal, he shall be excused from furnishing proofs of his poverty.

The privilege of legal aid extends as a right to cases before the justice of the peace, to all deeds of execution pertaining to personal and real estate, and to every contention incident to the execution of judicial decisions.

The bureau of legal aid where the applicant has his domicile shall require the person aided to define the nature of the deeds and procedure of execution to which the aid shall be applied.

#### TITLE IV.

##### *Guarantees.*

ARTICLE 23. The claim of a person injured in the accident or of his legal representatives for medical, pharmaceutical and funeral expenses, as well as for compensation allowed in consequence of temporary incapacity for work, is guaranteed by preference of article 2101 of the Civil Code, and shall be entered under No. 6 thereof.

The payment of compensation for permanent incapacity for work or for accidents followed by death is guaranteed in conformity to the provisions of the following articles:

ART. 24. Whenever employers who are liable or the insurance companies, with fixed premiums or mutual, or the guaranty associations whose members are liable jointly and severally, fail to pay, when due, the compensation charged against them as a result of accidents causing death or permanent incapacity for work, the payment shall be secured to the interested parties through the National Old-Age Pension Fund, by

means of a special guaranty fund, established as hereinafter provided, the management of which shall be entrusted to the said fund.

ART. 25. To establish the special guaranty fund there shall be added to the charge for licenses of the industries specified in article 1, four centimes [0.8 cent] extra. A tax of five centimes [1.0 cent] a hectare per mining concession shall be collected on mines.

These taxes may be increased or reduced according to the necessities of the case, by the financial law.

ART. 26. The National Retirement Fund may have recourse against the debtor employers for the amounts paid by it on their account, under the preceding provisions.

For reimbursing itself for its advances the fund, in case of insurance of the employer, shall enjoy the preference under the provisions of article 2102 of the Civil Code relative to the compensation due by the insurer, and it shall have no recourse against the employer.

An order of public administration shall fix the conditions of organization and carrying out of the functions imposed by the preceding provisions upon the National Retirement Fund, and, especially, the forms of recourse to be adopted against the debtor employers or the insurance companies and the guaranty associations, as well as the conditions under which the persons injured in accidents or their legal representatives shall be allowed to claim the payment of their compensations from the fund.

The judicial decisions shall not affect the mortgage unless rendered in favor of the retirement fund in the exercise of its right of recourse against the employers or the insurance companies.

ART. 27 (amended by the act of March 31, 1905). Mutual insurance companies, or companies for insurance against accidents, with fixed premiums, whether French or foreign, are subject to the supervision and control of the State, and are obliged to establish reserve funds or guarantees under the conditions fixed by an order of public administration.

The amount of the reserve funds and guarantees shall be appropriated by preference, for the payment of pensions and compensations.

The guaranty associations shall be subject to the same supervision, and an order of public administration shall fix the conditions of their creation and of their operation.

A decree of the minister of commerce may at any time terminate the business operations of the insurer who does not comply with the conditions provided by the present act, or whose financial condition does not afford a sufficient guaranty to enable him to meet his liabilities. This decree is issued upon proper recommendation by the advisory committee on insurance against industrial accidents, the insurer having been required in due form of law to present his observations in writing within a period of fifteen days. The committee must send out their recommendation within the following fifteen days.

On the tenth day, at noon, counting from the publication of the decree in the *Journal Officiel*, all contracts against risks governed by the present law shall by law cease to be effective, the premiums remaining unpaid or the premiums paid in advance being credited to the insurer only for the portion of the period of insurance actually expired except for stipulations to the contrary in the policies.

The advisory committee on insurance against industrial accidents consists of twenty-four members, to wit:—

Two senators and three deputies chosen by their colleagues, the director of insurance and providence, the director of labor, the director general of the *caisse des dépôts et consignations*, three associate members of the Institute of French Actuaries; the president of the court of commerce of the Seine or a section president delegated by him; the president of the Paris Chamber of Commerce or a member delegated by him; two workmen members of the superior labor council; a professor of law of the University of Paris, two directors or administrative officers of mutual industrial accident insurance companies or of guaranty associations; two directors or administrative officers of joint-stock or limited liability insurance companies against industrial accidents, and four persons having special, expert knowledge of the business of insurance against industrial accidents. An official order shall fix the method of nomination and election of members as well as the appointment of the president, vice-president and secretary.

Every kind of expense resulting from the supervision and control shall be covered by means of contributions, proportional to the amount of the reserve funds or guarantees, and fixed annually for each company or association by a decree of the minister of commerce.

ART. 28. The payment of the capitalized value of the pensions granted under the provisions of the present act can not be demanded of the obligors.

Nevertheless the obligors who desire to discharge their debt at once may pay the capitalized value of these pensions to the National Retirement Fund which shall

establish for this purpose, within six months from the promulgation of the present act, a schedule taking into account the mortality of persons injured in accidents and of their legal representatives.

When an employer discontinues his business, either voluntarily or by death, judicial liquidation or failure, or by transfer of the undertaking, the capitalized value of the pensions charged to his account becomes due of right and must be paid to the National Retirement Fund. On the day it becomes due this amount shall be fixed according to the schedule referred to in the preceding paragraph.

However, the employer or his legal representatives may be excused from paying this capitalized value if they furnish the guarantees to be determined by an order of public administration.

## TITLE V.

### *General Regulations.*

**ARTICLE 29.** Official reports, certificates, notarial documents, legal notices, judgments and other documents made or issued under and in pursuance of the present act are to be delivered gratis, and endorsed without stamp duty and registered free of cost whenever the formality of registration is required.

Within six months following the promulgation of the present act, a decree shall determine the fees of registrars of the justices of the peace for their services and for drawing up notarial documents, official reports, certificates, legal notices, judgments, the dispatch of registered letters, making abstracts, filing minutes of inquiry at the registrar's office and for all instruments rendered necessary in the application of the present act, as well as the cost of transportation to the injured person's residence and of the inquiry on the spot.

**ART. 30** (amended by the act of March 31, 1905). Every agreement contrary to the present act is void. This invalidity, like that provided in the second paragraph of article 16 and in the third paragraph of article 19, may be made the basis of a suit by an interested party before the court mentioned in the said articles.

In this case, however, legal aid is allowed only under the conditions of common law.

From the day it becomes final, the decision which declares the invalidity starts afresh the periods allowed either for statutory limitation or for review.

Void and of no effect, as remuneration for their services, are contracts entered into with intermediaries, who undertake, for fees agreed upon in advance, to secure to persons injured in accidents or their legal representatives, the benefits of the law suits or transactions provided in articles 15, 16, 17 and 19.

For violation of this act, the following persons are liable to a fine ranging from sixteen to three hundred francs, [\$3.09 to \$57.90], and, in case of repetition of the offence within the year of the conviction, from five hundred to two thousand francs [\$96.50 to \$386.00], subject to the exemption under article 463 of the Penal Code:

1st. Every intermediary convicted of having offered the services specified in the preceding paragraph;

2d. Every employer guilty of having made deductions from the wages of his workmen or employees for the insurance of risks for which he is liable under the present act;

3d. Every person who, by threat of discharge, or by refusal or threat of refusal of the compensation due under the present act, shall impair or attempt to impair the injured person's right to choose his physician;

4th. Any physician who, in a certificate made in pursuance of the present act, wilfully misrepresents the consequences of accidents.

**ART. 31.** Employers are obliged, under penalty of a fine of from one to fifteen francs [19 cents to \$2.90], to post in every workshop both the present act and the administrative regulations relating to its enforcement.

In case of a repetition of the offence within the same year, the fine shall be from sixteen to one hundred francs [\$3.09 to \$19.30].

Violations of the provisions of articles 11 and 31 may be established by the inspectors of labor.

**ART. 32.** This act does not derogate from the acts, ordinances and regulations concerning the pensions of workmen, apprentices and day laborers employed in the workshops of the navy, and those of workmen enlisted in the manufactories of arms under the direction of the ministry of war.

**ART. 33.** The present act shall not become operative until three months after the official publication of the decrees of public administration which shall regulate its enforcement.

**ART. 34.** An order of public administration shall provide the conditions under which the present act may be made applicable to Algeria and the colonies.



**LAW OF JUNE 30, 1899, RELATING TO ACCIDENTS RESULTING FROM THE USE OF AGRICULTURAL MACHINERY DRIVEN BY POWER OTHER THAN HUMAN OR ANIMAL.<sup>(a)</sup>**

When accidents are caused by the use of agricultural machinery driven by power other than human or animal, and when the victims of such accidents arising out of the fact of, or the occasion of, the work are the persons—whosoever they may be—engaged in operating or in the service of these motors or machines, then such accidents are at the expense of the party for whose account the said motor is operated.

The individual or the company which directs the motor, or requires his officers to direct it, is considered as the person for whom said motors are operated.

If the injured person was not hired for wages, or had no fixed wages, the compensation is calculated according to the rates of the law of April 9, 1898, based on the average wages of agricultural workers of the commune.

The law of April 9, 1898, is not applicable to agriculture in cases other than that above mentioned.

**LAW OF APRIL 12, 1906, EXTENDING THE PROVISIONS OF THE LAW OF APRIL 9, 1898, RELATING TO INDUSTRIAL ACCIDENTS TO ALL COMMERCIAL ENTERPRISES.<sup>(a)</sup>**

**ARTICLE 1.** The legislation concerning the liability for industrial accidents is extended to all commercial enterprises.

**ART. 2.** After the promulgation and during the three months which follow the promulgation of the decree provided for in article 4, the contracts for accident insurance entered into before that promulgation by the establishments mentioned in article 1 and not guaranteeing the risk mentioned in the laws of April 9, 1898, March 22, 1902, and March 31, 1905, can be annulled by the insurer or the insured.

The notice may be given either by means of a declaration at the headquarters, or with the local agent, for which a receipt shall be given; it may be by an extralegal act or by registered letter. The contract thus becomes completely annulled at noon on the tenth day, counting from the day of the notice, or from the service of the extralegal act or from the deposit of the registered letter in the post-office.

The premiums still to be paid shall be collected by the insurer only in proportion to the period of insurance covered up to the date of the annulment. Premiums paid in advance for insurance upon contract shall be retained for six months of risk at the most, counting from the date of annulment, only if the contract has not been annulled thereby; the balance shall be restored to the insured.

**ART. 3.** Mixed contracts by which the insurer is bound on his part to guarantee the insured against the risks of the law of 1898, if that has been declared applicable, and on the contrary, to protect him from civil liability, are completely annulled, when notice has been given in the forms and within the time provided by the preceding article. The notice of the insured shall be void if within eight days from the notice the insurer shall place an agreement in the policy expressly guaranteeing, without any increase of the premium, the risk defined by the laws of April 9, 1898, March 22, 1902, and March 31, 1895.

After the expiration of the delay of three months mentioned in the preceding article, the silence of the two parties shall without other formalities have the effect of rendering the contract applicable to the risks specified by the laws of April 9, 1898, March 22, 1902, and March 31, 1905.

**ART. 4.** The tax provided by article 25 of the law of April 9, 1898, shall continue to be collected for the establishments subject to the said law, including all workshops.

The tax shall be reduced by one and one-half centimes (\$0.0029) for all exclusively commercial establishments, including yards for working up or storage. The list of the above-mentioned establishments shall be published in the six months after the promulgation of this law, by a decree issued on the proposal of the ministers of commerce and finances, after a notice to the consultative committee of insurance for industrial accidents. It shall be submitted for legislative sanction every five years.

Decrees rendered in the same form can amend the rate of the tax specified in the preceding paragraph, within the limits of the maximum provided in article 25 of the law of April 9, 1898, or fixed by the law of finances. They must be published in the "Journal Officiel" at least three months before the beginning of the period to which the amendment applies.

<sup>a</sup> Recueil de documents sur les accidents du travail. Réunis par le ministère du travail et de la prévoyance sociale. No. 14. Paris, 1911.

ART. 5. [As amended by the law of March 26, 1908.] The establishments governed by the laws of April 9, 1898, and June 30, 1899, which are not subject to the tax on industrial licenses, shall contribute to the guarantee fund under the following conditions:

There shall be collected annually on each insurance contract a contribution, the amount of which shall be fixed every five years by the law of finances in proportion to the premiums, and shall be collected at the same time as the premiums by the insurance societies, the guarantee syndicates, or the National Accident Insurance Fund, and these shall make the payments to the guarantee fund.

In regard to those establishments not insured, there shall be collected a contribution at a rate determined in the same form, in proportion to the capital required to constitute the pensions. This contribution shall be paid at the time of the recording of the ordinances, judgments, and decrees granting said pensions and collected for the account of the guarantee fund as a matter of judicial assistance, by the administrative officials who conduct the registration.

For the collection of the contributions, the reserve capital shall be determined according to a schedule and under the conditions which shall be determined by regulations of the public administration.

The ordinances, judgments, and decrees granting pensions, in execution of the law of April 9, 1898, shall indicate whether the head of an establishment is or is not insured and licensed.

A public administrative regulation shall determine the conditions under which shall be made the payments of the insurance societies, guarantee syndicates or the National Accident Insurance Fund, and the recoveries of the registration authorities as well as all other measures necessary to assure the execution of this article.

Every infraction of the provisions of this regulation shall be punished by a fine of one hundred francs to one thousand francs (100 francs to 1,000 francs) [\$19.30 to \$193].

ART. 6. The guarantee syndicates mentioned in article 27 of the law of April 9, 1898, shall, when it concerns industrial or commercial establishments, include at least 5,000 insured workmen and 10 heads of affiliated establishments, of which five have at least 300 workmen, or at least 2,000 insured workmen and 300 heads of affiliated establishments, of which 30 at least have 3 workmen each.

These syndicates are authorized by decrees rendered in the Council of State, upon recommendation of the consultative committee on industrial accident insurance. They can be authorized by ministerial decree, when their by-laws conform to the standard by-laws approved by decree rendered in the Council of State upon recommendation of the committee above mentioned.

ART. 7. A public administrative regulation shall determine the conditions under which this law may be applied to Algeria and the colonies.

ART. 8. This law shall take effect three months after the promulgation of the decree mentioned in the second paragraph of article 4.

#### LAW OF JULY 18, 1907, ON VOLUNTARY AFFILIATION WITH THE LEGISLATION REGARDING INDUSTRIAL ACCIDENTS.<sup>(a)</sup>

ARTICLE 1. Every employer, who is not subject to the legislation concerning liability for industrial accidents, can place himself under the regulations of the said legislation for all accidents that may occur to his workmen, salaried employees, or domestic servants, by the fact of the work or on the occasion of the work.

For this purpose he deposits in the mayor's office of the district where the office of his establishment is located, or if he has no establishment, then at the mayor's office of the district where his personal residence is located, a declaration, which will be returned to him with a written acknowledgment of receipt without charge therefor, and which is immediately transcribed into a special register kept for the use of the interested parties. At the same time he shall present a pass book (*carnet*) intended to contain the voluntary affiliation of his salaried employees, to which the mayor puts his visé, noting the declaration and its date.

The form of the declaration and of the pass book (*carnet*) are determined by decree. The pass book must be preserved by the employer, so as to be produced in court, if there be occasion therefor.

ART. 2. The legislation regarding industrial accidents becomes thereafter applicable in full force to all of his workmen, employees, and domestic servants who shall have declared in the pass book (*carnet*), mentioned in the preceding article, their voluntary affiliation plainly signed and dated by themselves.

<sup>a</sup> Recueil de documents sur les accidents du travail. Réunis par le ministère du travail et de la prévoyance sociale. No. 14. Paris, 1911.



If the workman, employee, or domestic servant does not know how to or can not sign, his declaration of voluntary affiliation shall be received by the mayor, who shall mention the same in the pass book. The same applies to the affiliation of minors and married women, without necessity for them to obtain the consent for this purpose of the father, guardian, or husband.

ART. 3. By a special declaration filed in the mayor's office, the employer can discontinue his inclusion under the legislation regarding industrial accidents from that time on. He is immediately given a written acknowledgment of this declaration and it is entered after the original declaration in the register provided by article 1, and also in the pass book (*carnet*).

The discontinuance of inclusion does not affect the workmen, employees, or domestic servants who have in the form prescribed in the preceding article pledged themselves to submit to the legislation regarding industrial accidents.

ART. 4. If the employer is not otherwise compulsorily included under the legislation regarding industrial accidents, he shall contribute to the guarantee fund under the conditions specified in article 5 of the law of April 12, 1906.

**LAW OF MAY 29, 1909, AMENDING ARTICLE 25 OF THE LAW OF APRIL 9, 1898, AND ARTICLE 4 OF THE LAW OF APRIL 12, 1906.<sup>(a)</sup>**

The portion of taxes provided for in article 25 of the law of April 9, 1898, and article 4 of the act of April 12, 1906, shall be changed, within the limitations prescribed by the said article 25, before June 1 of each year for the ensuing year, by decrees rendered by the ministers of labor and of finances after the disbursements of all kinds have been made from the guarantee fund during the last year.

The rate of modification to be made in the portion of the taxes imposed during this last year shall be equal to the ratio between the amount of the aforesaid expenses and the total amount of the taxes deposited to the credit of the guarantee fund during the same year.

Nevertheless, for the years 1910 and 1911 the rate shall be increased 20 per cent.

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<sup>a</sup> Annuaire de la législation du travail, 1909. Office du travail, Belgium, 1910.

## GERMANY.

### LAW OF JUNE 30, 1900, AMENDING THE ACCIDENT INSURANCE LAWS.<sup>(a)</sup>

#### *Changes in former laws.*

#### ARTICLE 1.

PARAGRAPH 1. The accident insurance law of July 6, 1884 (Reichs-Gesetzblatt, p. 69), Part A of the law of May 5, 1886, concerning insurance against accidents and sickness of the persons employed in agriculture and forestry (Reichs-Gesetzblatt, p. 132), the law of July 11, 1887, concerning the accident insurance of persons in the building trades (Reichs-Gesetzblatt, p. 287) and the law of July 13, 1887, concerning the accident insurance of seamen and other persons engaged in navigation (Reichs-Gesetzblatt, p. 329) are to be interpreted in the light of the following additions.

PAR. 2. The law of May 28, 1885, for the extension of insurance against accident and sickness (Reichs-Gesetzblatt, p. 159) is hereby revoked.

PAR. 3. Wherever in the laws reference is made to provisions which are hereafter altered or annulled the provisions which take their place shall be substituted.

#### *The establishment of new accident associations.*

#### ARTICLE 2.

PARAGRAPH 1. The establishment of accident associations for the branches of industry newly subjected to accident insurance according to article 1 of the industrial accident insurance law or their assignment to existing accident associations is accomplished by the federal council after consultation with the representatives of the branches of industry and the associations concerned.

PAR. 2. Until the constitution of the accident associations established under this law shall have been approved, branches of industry may be withdrawn by decree of the federal council, after consultation with the boards of directors of the associations concerned, from one of the accident associations established under the laws of July 6, 1884 (Reichs-Gesetzblatt, p. 69), of May 28, 1885 (Reichs-Gesetzblatt, p. 159), of July 11, 1887 (Reichs-Gesetzblatt, p. 287) and of July 13, 1887 (Reichs-Gesetzblatt, p. 329), and assigned to another association, without reference to the provisions of these laws.

PAR. 3. In the newly established accident association, the constitution shall be adopted by a constituent general meeting. This consists of delegates from chambers of commerce, chambers of industry or similar representative economic organizations to which the employers of the branches of industries concerned belong. The central state authorities designate those bodies which are authorized to send delegates and determine the number of delegates for each according to its economic importance. If the territory of the accident association covers the territory of more than one state, the bodies authorized to send delegates and the number of delegates which each may send are determined by the Imperial Chancellor after agreement with the state governments concerned.

PAR. 4. The imperial insurance office shall call the constituent general meeting and shall conduct the proceedings until a provisional board of directors shall have been elected.

PAR. 5. In the newly established associations the first term of office for representatives of the workmen ends January 1, 1906.

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<sup>a</sup> Reichs-Gesetzblatt, 1900, pages 235 and 573. In the revision and extension of the accident insurance laws made in 1900, certain general features of the accident insurance system were incorporated in this law, usually referred to as the mantle law (Mantelgesetz). This law and the following law cover the insurance of workmen in manufactures and industries generally. The insurance of workmen employed in agriculture and forestry, the building trades, and navigation is covered by other laws.

*Courts of arbitration.***ARTICLE 3.**

**PARAGRAPH 1.** The settlement of disputes concerning compensation under the accident insurance law is entrusted to the courts of arbitration established according to articles 103 and following, of the invalidity insurance law. These shall henceforth be called "Court of Arbitration for Workmen's Insurance," with the addition of their district and seat. In case of disputes concerning compensation for accidents in establishments for which there are special insurance institutions (articles 8, 10 and 11 of the invalidity insurance law), the courts of arbitration for the latter take the place of the courts of arbitration for workmen's insurance.

**PAR. 2.** The former courts of arbitration for the individual accident associations and executive authorities are abolished. The disputes pending in these courts go over, in the stage in which they are at the time designated in article 25, par. 1, to the courts of arbitration competent according to this law and shall be decided by them.

**ARTICLE 4.**

**PARAGRAPH 1.** The number of associates of the courts of arbitration (article 104, par. 3, of the invalidity insurance law) may be increased by the central authorities of the state in which the court of arbitration has its seat or by other authorities appointed by them; it may at the same time be determined how many of the associates must live in or be employed at the seat of the court of arbitration or in its vicinity. If the district of the court of arbitration includes the territories, or portions of the territories, of several states, the determination shall be made by the Imperial Chancellor, unless the state governments concerned can arrive at an agreement. The number of associates from the class of the employers and insured persons must be at least 20.

**PAR. 2.** In the courts of arbitration the districts of which include portions of the seacoast, experienced navigators who are not shipowners, agents of shipowners or other authorized agents (article 33 of the marine accident insurance law) are eligible.

**ARTICLE 5.**

**PARAGRAPH 1.** The competent central state authorities at the seat of the court of arbitration or the other authorities designated by them decide how many associates shall be chosen by the committee of the insurance institution (article 104, par. 3, of the invalidity insurance law) from such accident associations or executive authorities as are represented in the district of the court. The provision of article 4, par. 1 [2], are applicable.

**PAR. 2.** When such an order has been issued, the associates of the court who are to represent the employers shall be chosen, for the accident associations from among their members entitled to vote, their legal representatives and duly authorized business managers, and for the executive authorities, from among the officials of the establishments for which the executive authority is appointed. Opportunity shall be given to the boards of directors of the accident associations and the executive authorities to propose suitable persons. Those persons are excluded who belong to the board of directors of an accident association or section of an accident association for the district in question or to an executive authority for that district; confidential agents are also excluded. Associates of the court who are to represent the insured persons shall be chosen from among those persons who are employed in an establishment belonging to an association or in an establishment belonging to the executive authorities.

**PAR. 3.** If the order designated in par. 1 applies to a mine-owners' accident association, it may be provided by the constitution that associates of the court who are to represent the insured persons shall be chosen from among the elders of the miners' provident funds.

**ARTICLE 6.**

If the prescribed number of associates has not been chosen or if those chosen refuse to serve, the lower administrative authorities in the districts in which the court of arbitration has its seat shall summon the number of associates needed from among the eligible persons.

**ARTICLE 7.**

**PARAGRAPH 1.** If, in the proceedings of the court, accidents in agriculture and forestry or in mining are to be considered, associates shall be summoned from those branches of industry, otherwise from the other industries subject to insurance. Exception may be made to this rule only in individual cases and for special reasons.

**PAR. 2.** The president of the court of arbitration may, on application from the accident association, the executive authority, or person entitled to compensation, depart from the prescribed order of succession and summon, to assist in the consideration and decision of a particular case, associates from the establishments of that accident association or executive authority to which the establishments in which the accident has occurred belong. If there are no such associates to be had, they may be appointed from other establishments of the same economic nature as that in which the accident occurred. If the president has refused such an application, the court of arbitration may be asked to render, before beginning the proceedings, a final verdict concerning the application.

#### ARTICLE 8.

**PARAGRAPH 1.** At the beginning of each business year, the court of arbitration chooses, at its first judicial sitting, usually after consultation with the proper representatives of the medical profession of the district or of the state, from among the approved physicians residing at the seat of the court of arbitration, those who, as a rule, shall be summoned as experts to take part in the proceedings of the court of arbitration, in case such services are needed. The documents of the court of arbitration and of the accident association shall be submitted to their criticism. The names of the physicians chosen shall be published.

**PAR. 2.** In other respects, the administration of this provision shall be made by the state central authorities.

#### ARTICLE 9.

**PARAGRAPH 1.** The court of arbitration is authorized to make an inspection of that part of the establishment in which the accident has occurred. If the employer or his representative refuses to permit the inspection, the local police authorities shall, on request from the president of the court of arbitration, compel him to acquiesce.

**PAR. 2.** If an inspection is to take place in a work place of a public authority or on a vessel of the imperial navy, the permission of the competent official or commanding officer shall be obtained.

**PAR. 3.** The members of the court shall maintain silence concerning matters of which they learn through the inspection of the establishment and shall refrain from copying business arrangements or methods which are secrets of the employer, as long as these remain business secrets.

**PAR. 4.** Documents presented to the court of arbitration shall be communicated promptly to the accident association and also to the injured person; to what extent medical testimony shall be communicated to them shall be determined, in the first place, by decision of the president. If the communication has not been made, the court may order that it be obtained.

**PAR. 5.** The court of arbitration is authorized to pay the traveling expenses of injured persons whose presence at the proceedings is either designated as necessary or presumed to be so.

#### ARTICLE 10.

**PARAGRAPH 1.** The expenses of the court of arbitration shall be returned to the insurance institution at the close of the fiscal year by the accident associations and the executive authorities concerned. The distribution shall be made on the basis of the relation of the number of appeals against the decisions of each body that have been decided during the year, to the total number of appeals decided by the court of arbitration during the same period. The distribution of expenses among the insurance institutions, the accident associations and the executive authorities is made by the president of the court of arbitration.

**PAR. 2.** The expenses of procedure occasioned by the disputes and also special expenses arising from the exceptional summoning of associates of the courts according to article 7, par. 2, shall be paid by that insurance organization against whose decision the appeal was made.

**PAR. 3.** The imperial insurance office may make further provisions in this connection.

**PAR. 4.** The court of arbitration is authorized to impose on the persons concerned the payment of such expenses of procedure as have resulted from their malicious conduct or from procrastination or deception on their part.

*The Imperial Insurance Office.*

## ARTICLE 11.

PARAGRAPH 1. The imperial insurance office has its seat in Berlin and is composed of elective members [nichtständige Mitglieder] and members appointed for life [ständige Mitglieder].

PAR. 2. The president and the other life members are nominated by the federal council and appointed by the Emperor for life. The directors and the presidents of the senates are appointed by the Emperor from among the life members. The other officials of the imperial insurance office are appointed by the imperial chancellor.

PAR. 3. Of the elective members, six are chosen by the federal council, at least four of whom shall be from their own membership; six, as representatives of the employers, shall be chosen by the boards of directors of the accident associations and by the executive authorities; and six, as representatives of the insured persons, shall be chosen by the associates of the court of arbitration who represent the workmen.

PAR. 4. The representatives of the employers and of the insured persons are chosen from the accident associations and executive authorities in such a way that for each body there shall be two representatives of the employers and two representatives of the insured persons for:

- (a) the scope of the accident insurance laws for industry and for the building trades,
- (b) the scope of the accident insurance law for agriculture and forestry,
- (c) the scope of the marine accident insurance law.

PAR. 5. In the choice of the representatives of the insured persons, the following are eligible:

(a) for agriculture and forestry, only the associates of the court of arbitration who represent these industries;

(b) for marine accident insurance, only persons insured under the marine accident insurance law or associates of the court of arbitration who are summoned in accordance with article 4, par. 2;

(c) for the accident insurance of industry and of the building trades, the other associates of the court of arbitration, including the associates of the court of arbitration established in accordance with articles 8 and 10 of the invalidity insurance law.

## ARTICLE 12.

PARAGRAPH 1. The persons eligible are German male adults who reside in the Empire. No one is eligible who is incapable of performing jury duty (article 32 of the law on court procedure).

PAR. 2. Those who are eligible to election as representatives of the employers are the members of the accident association who are entitled to vote, their legal representatives and the duly authorized managers of their establishments and also, for executive authorities, the officials who conduct the affairs of the boards of directors of the accident associations as well as the other officials of the establishments for which the executive authority is appointed.

PAR. 3. Those eligible to election as representatives of the insured persons are the persons who are insured under the accident laws in question and, for the scope of the marine accident insurance, also experienced navigators who are not ship-owners, part owners or agents of ship-owners or other duly authorized agents (article 33 of the marine insurance law).

## ARTICLE 13.

For the representatives of the employers and of the insured persons, there shall be chosen in the same way, according to need, substitutes or alternates to represent them if they are prevented from serving. If such a member retires during the term of office, the substitutes shall take his place for the rest of the term in the order in which they were elected.

## ARTICLE 14.

PARAGRAPH 1. The representatives of the employers and the representatives of the insured persons are elected separately in separate elections by written ballot under direction of the imperial insurance office. A majority vote decides and a tie is decided by lot. The number of votes to be cast by each electing body is determined by the federal council according to the number of insured persons. The federal council may decide that the election shall take place according to districts, and in what way, and also how the persons to be elected shall be distributed among the districts. The result of the election shall be published.



**PAR. 2.** The term of office of the elected members and their substitutes is five years. The persons elected remain in office after the expiration of this time until their successors have taken office. The retiring officers may be reelected.

**PAR. 3.** If facts become known concerning an elected person which show him to be ineligible under this law or which indicate gross violations of official duty, he shall, after being given a hearing, be removed from office by decision of the imperial insurance office.

#### ARTICLE 15.

The decisions of the imperial insurance office are final unless the laws provide otherwise.

#### ARTICLE 16.

**PARAGRAPH 1.** Decisions of the imperial insurance office may be made by five members, including the president; of these, one shall be a representative of the employers and one a representative of the insured persons; and officials of the judiciary shall also be summoned if the following matters are to be considered:

1. The decision of final appeals from the decisions of the courts of arbitration;
2. The decision of disputes concerning property rights in connection with changes in the composition of accident associations;
3. The decisions of the cases designated in article 73, par. 2, articles 82 and 83 (pars. 1 and 2), and articles 85, 116, and 124 (par. 3) of the accident insurance law for industry; article 79, par. 2, articles 88 and 89 (pars. 1 and 2), and articles 91, 124, and 130 (par. 3) of the accident insurance law for agriculture and forestry; article 78, par. 2, articles 86 and 87 (pars. 1 and 2), and articles 89, 122 (par. 1), and 126 (par. 3) of the marine accident insurance law.

**PAR. 2.** Decisions by which final appeals are rejected without oral procedure (accident insurance law for industry, article 81, par. 1, accident insurance law for agriculture and forestry, article 87, par. 1, marine accident insurance law, article 85, par. 1) are made by three members, including a representative of the employers and a representative of those insured.

**PAR. 3.** Unless matters of general interest are to be considered, representatives of the employers and of the insured persons shall be summoned only to those sessions in which affairs of the accident association for which they are elected are to be considered.

#### ARTICLE 17.

**PARAGRAPH 1.** If one senate of the imperial insurance office wishes to dissent from the decision of another senate on a fundamental legal question, the case shall be referred for decision to an enlarged senate. This is presided over by the president of the imperial insurance office and must include two elected members of the imperial insurance office from among the members chosen by the federal council, two life members, two officials of the judiciary, and two representatives of the employers and two of the employees. Instead of the elected members chosen by the federal council, life members of the imperial insurance office may be summoned.

**PAR. 2.** The same provisions hold if a senate wishes to dissent from a decision of an enlarged senate.

#### ARTICLE 18.

At least one elected member from among representatives of the employers and one from the representatives of the insured persons shall be summoned for the following:

1. The preparation of decisions of the federal council concerning the determination of what undertakings do not involve special danger of accidents and are therefore exempt from the obligation of insurance (article 1, par. 3, of the accident insurance law for industry);
2. The preparation of decisions of the federal council concerning the approval of alterations in the composition of accident associations (article 52 of the law above mentioned and article 62 of the accident insurance law for agriculture and forestry), or the dissolution of an insolvent accident association (article 54 of the accident insurance law for industry, article 64 of the accident insurance law for agriculture and forestry and article 57 of the marine accident insurance law);
3. Decisions concerning the approval of regulations for the prevention of accidents (article 112 of the accident insurance law for industry, article 120 of the accident insurance law for agriculture and forestry and article 118 of the marine accident insurance law).



## ARTICLE 19.

PARAGRAPH 1. The expenses of the imperial insurance office and of proceedings before it are borne by the Empire.

PAR. 2. The imperial insurance office is authorized to require the persons concerned to pay such expenses of procedure as have been occasioned by their malicious conduct or by procrastination or deceit on their part.

PAR. 3. For their participation in the work and in the sessions of the imperial insurance office, the elective members receive a remuneration to be determined on the basis of a yearly amount, and those who live outside Berlin shall in addition receive their traveling expenses to and from Berlin according to the rates applicable to the advisory councillors of the superior official bodies of the Empire. (Order of June 21, 1875, Reichs-Gesetzblatt, p. 249). The provisions of article 16 of the law concerning the legal relations of the officials of the Empire, of March 31, 1873 (Reichs-Gesetzblatt, p. 61), do not apply.

PAR. 4. In other respects, the forms of procedure and the order of business of the imperial insurance office are regulated by imperial decree with the approval of the federal council.

## REGULATION OF FEES.

## ARTICLE 20.

PARAGRAPH 1. The fees of attorneys in proceedings before the courts of arbitration and the imperial insurance office are determined by imperial decree with the approval of the federal council, and the fees in proceedings before the state insurance offices, by the state governments.

PAR. 2. Any agreement for the payment of higher amounts is invalid.

## STATE INSURANCE OFFICES.

## ARTICLE 21.

PARAGRAPH 1. State insurance offices may be established in the individual states for their own territory and at their own expense.

PAR. 2. The authority of state insurance offices is restricted to those accident associations which comprise only such establishments as are located in the territory of the state in question.

## ARTICLE 22.

PARAGRAPH 1. A state insurance office consists of members appointed for life (ständige Mitglieder) and elective members (nichtständige Mitglieder).

PAR. 2. Life members are appointed for life by the sovereign of the state in question. Of the elective members, four shall be representatives of the employers and four of the insured persons. They shall be chosen in separate elections by written ballot under direction of the state insurance office and in such a way that at least two from each group shall represent agriculture and forestry, and that if there are other accident insurance organizations subject to the state insurance office, one from each group shall be assigned to each accident insurance organization.

PAR. 3. The election takes place according to the provisions of article 11, par. 5, and articles 12, 13, and 14 (pars. 1 and 2), except that the central state authority takes the place of the federal council. But in the election of the representatives of the employers, only the boards of directors of those accident associations which do not include establishments located in another state and the executive authorities which are limited to the territory of the one state take part; and in the election of the representatives of the insured persons, only the associates of those courts of arbitration which have their seats in the territory of the state take part.

PAR. 4. If the authority of the state insurance office comprises, in addition to agricultural and forestry undertakings, only executive authorities for the building trades, it does not need to contain any elected members except two representatives for agriculture and two for forestry.

PAR. 5. The number of votes to be cast by the individual elective bodies is determined by the state government in accordance with the number of insured persons in the associations and employed by the executive authorities concerned.

PAR. 6. The removal of a representative of the employers or of the insured persons (article 14, par. 3) is effected by the state insurance office.

PAR. 7. The provisions of articles 16, 18, and 19 (par. 2) are correspondingly applied to the state insurance office.

**PAR. 8.** In other respects the state government regulates the forms of procedure and order of business in the state insurance office and also the remuneration to be given elective members.

*Other activities of the accident associations.*

**ARTICLE 23.**

**PARAGRAPH 1.** The accident associations are authorized to make arrangements:

1. For the insurance of the head of an establishment and of the persons who must make the same guarantee as he, against employers' liability;

2. For the creation of funds to provide supplementary pensions and pensions for administrative officials and for the members of the accident associations, the persons insured in the association and officials of the associations and also for the dependents of these persons.

**PAR. 2.** Participation in these arrangements is voluntary. As far as claims for employers' liability under the imperial accident insurance laws are concerned, not more than two-thirds may be covered by insurance through the fund specified in par. (1).

**PAR. 3.** Decisions of the general meeting of the accident association concerning arrangements of the kind designated in par. 1 and also the provisions of the constitution regulating them and the amendment of the latter, require the approval of the federal council.

**PAR. 4.** The accident associations are also subject, with reference to these arrangements, to the supervision of the imperial insurance office.

*Temporary provisions.*

**ARTICLE 24.**

The term of office of the representatives, elected according to the previously existing regulations, of the insured persons and elective members of the imperial insurance office and of the state insurance offices and the term of office of their substitutes ends with January 1, 1902. The retiring officers remain in office, however, until their successors, chosen according to the new provisions, have taken office.

*Time when this law goes into effect.*

**ARTICLE 25.**

**PARAGRAPH 1.** An imperial decree, approved by the federal council, shall specify the time at which:

1. The courts of arbitration designated in article 3 take the place of the former courts established in connection with accident associations;

2. The accident insurance goes into force for such branches of industry as are newly subjected to accident insurance under articles 1 and 2 of the accident insurance law for industry and articles 152 and following of the marine accident insurance law.

**PAR. 2.** The provisions of article 20 of this law, of articles 25 to 27 of the accident insurance law for industry, of articles 30 to 32, 51, 53 (par. 3), and 57, 107, 108, and 109 of the accident insurance law for agriculture and forestry and also articles 29 to 31, 49, and 104 of the marine accident insurance law take the place of the previously existing regulations on January 1, 1902.

**PAR. 3.** In other respects, this law goes into effect October 1, 1900.

**ARTICLE 26.**

If, by January 1, 1902, the constitution of an accident association shall not have been amended as required by the present law, these amendments shall be made by the imperial insurance office through its inspectors.

**ARTICLE 27.**

The provisions of this law, in so far as they are more favorable to the persons entitled to compensation, also apply to the first determination of claims to compensation resulting from accidents which took place before this law went into force, provided that these claims were already recognized under the former accident insurance laws but had not been decided at the time mentioned.

## INDUSTRIAL ACCIDENT INSURANCE LAW OF JUNE 30, 1900.(\*)

## I. GENERAL PROVISIONS.

*Scope of insurance.*

## ARTICLE 1.

PARAGRAPH 1. All workmen and administrative officers, the latter provided that their annual earnings in wages or salary does not exceed 3000 M. [\$714], are insured, according to the provisions of this law, against the results of accidents occurring to them in the course of their employment, if they are employed—

1. In mines, salt works, establishments in which ores are treated, quarries, pits, ship-yards, yards for preparing building materials, and in factories, commercial breweries or smelting works;

2. In industrial establishments which include the execution of masonry, carpentry, roofing or other building work declared by decision of the Federal Council to be subject to insurance, stonecutting, locksmithing, smithing, or well digging, and also establishments engaged in chimney sweeping, window cleaning, or butchering;

3. In the administration of the post office, telegraph and railroads, and in the administration of the navy and army, including that of building operations which are carried on by these departments on their own account;

4. In the business of carting, internal navigation, rafting of wood, transportation on ferryboats and flat boats, tugging or dredging;

5. In the business of expressing and storing goods and in that of cellarage;

6. In establishments of goods packers and loaders, goods sorters, weighers, measurers, inspectors and stowers;

7. In the work of storage, tree felling, or work connected with the transportation of persons or goods if such work is done for a commercial establishment the proprietor of which is inscribed in the commercial register.

PAR. 2. To persons engaged in the industries subsidiary to agriculture and forestry (article 1, paragraphs 2 and 3 of the Accident Insurance Law for Agriculture and Forestry) this law does not apply.

PAR. 3. Establishments which do not involve especial danger of accident to the persons engaged in them may, by decision of the Federal Council, be exempted from the obligations of insurance.

## ARTICLE 2.

PARAGRAPH 1. In the intention of this law foremen and technical officials are put on the same footing as administrative officials.

PAR. 2. All those establishments count as factories in the intention of this law which regularly use steam boilers, or motors run by natural power (wind, water, steam, gas, hot air, electricity, etc.) or by animal power.

PAR. 3. The other establishments which count as factories in the intention of this law are especially those in which the preparation or working up of products is carried on as a business and in which at least 10 workmen are regularly employed for this purpose and also establishments in which explosives or explosive articles are produced as a business.

PAR. 4. What other undertakings are to be regarded as factories in the intention of this law is determined by the imperial insurance office.

PAR. 5. To industrial plants, railroads, and shipping firms which are essential parts of one of the enterprises mentioned above or in article 1 the provisions of this law are also applicable.

## ARTICLE 3.

The insurance extends to domestic and other service to which insured persons are assigned by their employers or by the employer's agents in connection with their employment in the establishment.

## ARTICLE 4.

The imperial chancellor, with the consent of the Federal Council, is empowered to conclude mutual agreements with the governments of such countries as have made provision for workmen and administrative officials corresponding to that of German accident insurance, through which the application of this law—

1. Shall be excluded from those undertakings in this country which are parts of foreign enterprises, and
2. Shall be extended to undertakings in foreign countries which are parts of an enterprise in this country, if such enterprise is subject to insurance.

## ARTICLE 5.

PARAGRAPH 1. The obligation of insurance may be extended by the constitution (see article 37)—

(a) To employers whose annual earnings do not exceed 3,000 M. [\$714] or who do not regularly employ more than two paid workmen.

(b) Without regard to the number of workmen employed by him, to the employer of one of the establishments designated in articles 1 and 2 who, in his own shop, is engaged in the manufacture or working up of commercial products on the order of, and for the account of, another business firm, even if such an employer himself supplies the raw materials and other materials.

(c) To administrative officials with annual earnings exceeding 3,000 M. [\$714]. In the insurance of administrative officials, the full annual salary is to be used as the basis of the insurance, with the reservation provided for in article 10, paragraph 1.

PAR. 2. Employers whose annual earnings do not exceed 3,000 M. [\$714] or who do not regularly employ more than two paid workmen, are entitled to insure themselves against the results of industrial accidents. By the constitution this privilege may be extended to employers with higher annual earnings.

PAR. 3. It may be further provided in the constitution that insurance against the results of accident during employment or service may be provided, and under what conditions—

(a) To persons employed in the establishment but not insured according to articles 1 or 2, the insurance to be provided through the employer.

(b) To persons not employed in the establishment but visiting or frequenting the premises, the insurance to be provided through the employer, or the board of directors of the accident association (article 28).

(c) To the agents and administrative officials of the accident association, the insurance to be provided through the board of directors.

## ARTICLE 6.

Profit sharing, payments in kind, and other allowances which are made to the insured persons, even though by virtue of custom, and which, wholly or partly, take the place of the salary or wages, are regarded as salary or wages in the intention of this law. The value of the payments in kind shall be reckoned according to the average local prices. These are determined by the lower administrative authorities.

*Officials and persons belonging to the military class.*

## ARTICLE 7.

This law does not apply to the persons designated in article 1 of the law of March 15, 1886 (Reichs-Gesetzblatt, p. 53), concerning provision for officials and persons of the military class in case of industrial accidents, to persons who occupy positions in the administration of a federal state or a municipal body, with fixed salaries and with pension privileges, or to other officials of a federal state or communal body to whom the stipulation in article 12 of the above-mentioned law applies.

*Object of insurance and extent of compensation.*

## ARTICLE 8.

PARAGRAPH 1. The object of accident insurance is to render compensation, according to the following provisions, for bodily injury or death.

PAR. 2. The injured person and his survivors have no claim to compensation if he has intentionally caused the accident. The claim may be wholly or partly rejected if the injured person has brought the accident upon himself by committing, as proved by sentence of a court, a crime or an intentional misdemeanor. In cases of the latter class, the pension may, if the injured person has relatives living in the country who would have claim to a pension in case of his death, be wholly or partly diverted to them.

PAR. 3. The claim may also be rejected without the prescribed proof by court sentence if the lack of this proof is due to the death or absence of the injured person concerned or to some other cause resident in his person.

## ARTICLE 9

PARAGRAPH 1. In case of disability compensation is rendered, as follows, from the beginning of the 14th week after the date of the accident:

1. Free medical treatment, medicine and other means of healing, also the facilities (crutches, supporting apparatus, etc.) to insure the success of the treatment and diminish the effects of the injury;

2. A pension as long as the disability lasts.

PAR. 2. The amount of the pension is—

(a) In the case of total disability and as long as it lasts, 66 $\frac{2}{3}$  per cent of the annual earnings (full pension);

(b) In the case of partial disability and as long as it lasts, a part of the full pension proportionate to the loss, through the accident, of earning capacity (partial pension).

PAR. 3. If, in consequence of the accident, the injured person is rendered not only entirely incapable of work but also sufficiently helpless to require attendance and care from others, the pension is to be increased to 100 per cent of the annual earnings as long as this condition continues.

PAR. 4. If the injured person was, at the time of the accident, already suffering from total and permanent disability, no compensation is made save that prescribed in paragraph 1 (1) of this article. If such an injured person has been rendered so helpless by the accident as to require attendance and care from others, a pension of not more than one-half of the full pension shall be granted.

PAR. 5. If, on account of the accident, the injured person is actually out of work through no fault of his own, the board of directors of the association may temporarily increase the partial pension to the amount of the full pension.

## ARTICLE 10.

PARAGRAPH 1. The pension is to be computed on the basis of the annual earnings which the injured person received as salary or wages (article 6) during the last year of his employment in the establishment, but in such a computation only one-third of the amount in excess of 1,500 M. [\$357] is to be considered.

PAR. 2. The annual earnings, if not obtained from amounts determined at least weekly, are to be regarded as 300 times the average daily earnings. For insured persons in undertakings in which it is the custom to operate for a large or a small number of working days, such number shall be used instead of 300 as the basis from which to reckon the daily earnings.

PAR. 3. If the injured person was not employed in the establishment for a full year immediately preceding the accident, the pension shall be reckoned according to the annual earnings which insured persons of the same class in the same establishment or in neighboring establishments of the same kind, have earned during this period. If this is impossible, 300 times the amount which the injured person earned on an average on those days when he was working during the year preceding the accident, is to be used as the basis of the computation.

PAR. 4. In the case of insured persons who earn either no wage or less than 300 times the usual daily wage of adult day laborers of that locality (article 8 of the sickness insurance law) the yearly wage shall be regarded as 300 times this average local daily wage.

PAR. 5. In computing the pension in the cases considered in paragraph 4, for persons who before the accident were already partially incapacitated for work, a fraction of the average local daily wage proportionate to their working capacity before the accident is to be used as the basis of the computation.

## ARTICLE 11.

PARAGRAPH 1. The accident association shall be authorized to turn over to the sick fund to which the injured person belongs or has last belonged, the duty of providing for the injured person after the beginning of the 14th week and until his recovery is complete, to whatever extent may be regarded as necessary by the association, which shall repay the sick fund for the expense involved. In making the payments designated in article 6, paragraph 1 (1) of the sickness insurance law, one-half, and in providing the injured person with care in a hospital or convalescent home, one and one-half times the minimum amount of pecuniary aid prescribed in the law is to be substituted, unless higher expenditures are shown to have been made.

PAR. 2. The provisions of article 76b to 76d of the sickness insurance law apply also to miners' provident funds (article 74 of the same law). If these funds, other sick funds, or federations of sick funds have established medical institutions in



which sufficient provision is made for the healing of the injuries caused by accident, the higher state authorities may not order members of these funds to be put into other medical institutions before the beginning of the 14th week after the accident, save with the approval of the boards of directors of the funds or of the federation of funds concerned.

PAR. 3. Injured persons who, on the initiative of miners' provident funds, other sick funds, federations of sick funds, or the agents of the accident associations, are placed in a medical institution may not be transferred, during the time of their treatment to other institutions save with their consent. This consent may be supplemented by the lower local administrative authorities.

PAR. 4. Not only the parish sick insurance, but also those sick funds which possess the official recognition prescribed in article 75a of the sickness insurance law, are regarded as sick funds in the sense of the preceding provisions and of article 76b to 76d of the law above mentioned.

#### ARTICLE 12.

PARAGRAPH 1. The pecuniary aid which is granted under the sickness insurance law to the person injured in an industrial accident from the beginning of the 5th week after the accident up to the end of the 13th week shall amount to at least two-thirds of the wage used as the basis in computing it. The difference between this two-thirds and the lower amount of the pecuniary aid prescribed by the law or by the constitution of the fund, is to be reimbursed to the sick fund interested (or the parish sickness insurance as the case may be) by the owner of the establishment in which the accident has taken place. The arrangements requisite to the carrying out of this provision are to be issued by the imperial insurance office.

PAR. 2. For the workmen and administrative officials (the latter if their annual earnings do not exceed 2000 M. [\$476]) who are insured according to articles 1 or 2, but who are not insured under the sickness insurance law, the employer must provide for the first 13 weeks from his own means the benefits prescribed in articles 6 and 7 of the sickness insurance law, including the additional amount provided for in the preceding paragraph. The accident association may, wholly or partly, take upon itself the making of these payments for which the employer is responsible, in which case the latter shall reimburse the association. In this connection, compensation for the benefits designated in article 9, paragraph 1 (1) shall be one-half of that pecuniary aid which would be due the injured person according to article 6, paragraph 1 (2) of the sickness insurance law, if he had been insured according to its provisions.

#### ARTICLE 13.

PARAGRAPH 1. If the claim arising under the sickness insurance law, or under article 12, paragraph 2, to sick wage expires before the end of 13 weeks after the accident, and if the disability of the injured person continues after the 13th week, the accident association shall give him the accident pension (article 9, paragraph 2 (b)) from the day on which the claim to pecuniary aid from the sick fund ceases. If the accident association considers the requisites for a claim exist before the expiration of the 13th week after the accident, the pension shall be determined at this time.

PAR. 2. It may be provided by the constitution that the pension shall be granted after the claim to the sick wage ceases, if the disability due to the accident continues after this time but will presumably cease before the expiration of the 13th week after the accident.

PAR. 3. If the sick fund or the employer has incorrectly discontinued the payments prescribed for the former by the sickness insurance law or for the latter by article 12, paragraph 2, the injured person may claim pecuniary aid from the accident association, to the amount of the compensation prescribed by paragraphs 1 and 2.

#### ARTICLE 14.

Disputes which arise under the provisions contained in article 11, paragraph 1, and articles 12 and 13 (paragraph 3) are to be settled, if they have to do with claims to compensation, according to article 58, paragraph 2, of the sickness insurance law, otherwise according to article 58, paragraph 1, of the same law, and in the cases of article 12, paragraph 2, by the supervising officials of the local sick fund of the place of employment. If these are among the parties to the controversy, the authorities called upon to decide the dispute are to be appointed by the higher local administrative authorities of the place of employment.



## ARTICLE 15.

PARAGRAPH 1. In the case of death, the following compensation is also to be made—

1. As a funeral benefit, one-fifteenth of the annual earnings, which shall be determined according to article 10, paragraphs 1 to 4, but the grant shall never be less than 50 M. [\$11.90];

2. A pension to be paid to survivors from the day of the deceased person's death. This shall consist, according to the provisions stated in articles 16 to 20, of a fraction of his annual earnings as obtained according to article 10, paragraphs 1 to 4.

PAR. 2. If the annual earnings to be used as a basis for the computation of these pensions are, on account of an earlier accident (which was compensated under the imperial accident insurance law), less than they were before this earlier accident, then the pension received during life on account of the earlier accident shall be added to the earnings in making the computation for these pensions, but not to exceed the amount of the earnings used in computing the earlier pension.

## ARTICLE 16.

PARAGRAPH 1. If the deceased leaves a widow or children, the pension for the widow, up to the time of her death or remarriage, and for every surviving child, up to the completion of its 15th year, shall be for each 20 per cent of the annual earnings.

PAR. 2. In the case of her remarriage, the widow shall receive 60 per cent of the annual earnings as a settlement.

PAR. 3. The claim is to be barred if her marriage to the deceased takes place after the accident; the accident association may even then, however, in special cases, grant a widow's pension.

PAR. 4. The regulations regarding pensions for children shall also be applicable if the accident occurred to a self-supporting woman and she died leaving children.

## ARTICLE 17.

PARAGRAPH 1. If at the time of the accident the deceased was married, but was on account of her husband's invalidity, wholly or mainly, responsible for the support of the family, the following pensions shall be granted as long as the need continues—

(a) to the widower 20 per cent,

(b) to every surviving child up to the completion of its fifteenth year, 20 per cent of the annual earnings.

PAR. 2. The accident association is authorized, in the case of the death of the wife whose husband has deserted her without legal cause and has absented himself from the household, to grant the children regular pensions.

## ARTICLE 18.

If the deceased person leaves parents or grandparents (ascendants) whom he was partly or mainly supporting, they shall receive, until the need ceases, a total pension of 20 per cent of the annual earnings.

## ARTICLE 19.

If the deceased person leaves orphan grandchildren whom he was wholly or mainly supporting, they shall, in the case of need, receive, until the completion of their fifteenth year, pensions amounting altogether to 20 per cent of the annual earnings.

## ARTICLE 20.

PARAGRAPH 1. The pensions of the survivors shall not exceed, altogether, 60 per cent of the injured person's annual earnings. The pensions are diminished if they add up to a higher sum. For widows (or widowers) and children, this diminution is proportionate to the amount of their pensions; parents and grandparents have a claim only if the maximum amount of the pension is not required for widows (or widowers) and children; grandchildren, only if the maximum amount of the pensions is not required for the widow (or widower), children, or parents and grandparents.

PAR. 2. If the survivors include both parents and grandparents, the former take precedence.

## ARTICLE 21.

The survivors of a foreigner who, at the time of the accident, did not have their usual residence in the country have no claim to a pension. But the Federal Council may set aside this provision for specific foreign border territories and also for those foreign states which have made corresponding provision for survivors of Germans killed by accident.

## ARTICLE 22.

PARAGRAPH 1. Instead of the payments prescribed in articles 9 and 12, the accident association may give the injured person free medical care and board in a medical institution, as follows:

1. For injured persons who are married or who have households of their own, or who are members of the household of their family, with their own consent. This consent is not required if the nature of the injury makes requisite treatment or care which can not be accorded at home or if the local official physician testifies that the injured person's condition is such that he requires continuous observation.

2. For other injured persons, in all cases.

PAR. 2. If the accident association has made use of this authorization in the cases specified in article 12, paragraph 2, the employer shall pay the association one and one-half times the amount of pecuniary aid prescribed in article 12, paragraph 2, as recompense for the free medical treatment and board. To disputes which, on account of this provision, arise between the association and the employer, article 14 applies.

PAR. 3. While the injured person is undergoing treatment in the medical institution, his relatives have a claim to the pensions which they could have claimed in case of his death (article 16 et seq.).

PAR. 4. The accident associations are authorized, either in accordance with their constitution or, in case of need, without such provisions, to grant special aid to the injured person who has been placed in a medical institution and to his dependents.

## ARTICLE 23.

PARAGRAPH 1. If it is shown that the recipient of an accident pension may attain greater working capacity by means of a course of medical treatment, the accident association may, at any time, begin such a course of treatment for this purpose. In this connection, the provisions of article 11 and article 22, paragraphs 1, 3, and 4 are applicable.

PAR. 2. If the accident association has issued, in accordance with article 9, paragraph 1 (1), article 11, article 12, paragraph 2, and article 22, or in accordance with the provisions of article 76c and article 76d of the sickness insurance law, orders concerning such measures, and if the injured person has, without legal or other good reason, failed to comply with these orders, the compensation due him may temporarily be wholly or partly refused, provided that he has been warned of this result and it is shown that through his conduct his earning capacity has been unfavorably affected.

## ARTICLE 24.

On application from the recipient of a pension, the board of directors of the accident association may, at the association's expense, substitute for the pension maintenance in a home for invalids or similar institution conducted by a third party. The one making the application must abide by the new arrangement for a quarter of a year, and in case he wishes to make a change he must give notice a month before the end of each quarter or give up his pension for another quarter.

*In relation to sick funds, poor relief organizations, etc.*

## ARTICLE 25.

PARAGRAPH 1. The obligation of the registered aid funds and of the various sickness, burial, invalidity, and other relief funds to afford support to workmen and officials who have met with accidents and also the obligations of communes or poor relief organizations to give support to needy persons are not affected by this law.

PAR. 2. If, on account of such obligation, support is given for a period for which the injured person was or is entitled to compensation under this law, the sick funds, communes, or poor relief organizations concerned shall be compensated therefor by having the amount paid to them from the pension.

PAR. 3. In cases of this kind, the compensation is to be made according to article 6, paragraph 1 (1), of the sickness insurance law for the sick funds to which this law applies, unless it is shown that higher amounts have been expended.

PAR. 4. If the support afforded by sick funds, communes, or poor relief organizations is temporary, there may be claimed in compensation not more than one-half of the amount of the pension for not more than three months.

PAR. 5. If the support is continuous, the following compensation may be claimed: In case the support consists in maintenance in an institution, the claim shall be for the continuous payment while the person remains in the institution of the full amount of the pension, provided this is not more than the amount which has been expended; otherwise, for the continuous payment of not more than one-half the amount of the pension.

#### ARTICLE 26.

PARAGRAPH 1. The application for transferring the pensions (article 25, paragraphs 2 to 5) shall be made to the accident association; if it concerns a pension for temporary support, the claim must be made within three months after the support ceases to be given; otherwise it will not be considered.

PAR. 2. Disputes which arise in consequence of the provisions of article 25, paragraphs 2 to 5, between the parties, concerning the claim to the transfer of pensions, are decided by the process used in administrative controversies (Verwaltungsstreitverfahren) and, where this is not available, through the authorities having jurisdiction over those claiming the compensation. The decision of the latter may, within one month after it is made, be contested as an appeal according to articles 20 and 21 of the Industrial Code.

#### ARTICLE 27.

The provisions of articles 25 and 26 also apply to employers and sick funds which, by legal regulation, fulfil the obligation resting on the communes or on poor relief organizations to render support to the needy.

#### *Persons bearing the burden of insurance.*

#### ARTICLE 28.

PARAGRAPH 1. The burden of insurance is undertaken on the mutual plan by the heads of establishments mentioned in articles 1 and 2 who are united into accident associations for this purpose. The accident associations are to be formed for specified districts and shall comprise all the establishments of those branches of industry for which they are formed. The latter provision may be waived in the formation of accident associations for railroads or for the industries mentioned in article 1, paragraph 4. The accident associations formed according to articles 12 to 15 and article 31 of the accident insurance law of July 6, 1884 (Reichs-Gesetzblatt, p. 69), and of article 11 of the law of May 28, 1885, concerning the extension of accident and sickness insurance (Reichs-Gesetzblatt, p. 159), shall continue to exist under reservation of the amendments contained in article 2, paragraph 2, of the law for the amendment of the accident insurance law, and article 52 of the present law.

PAR. 2. Establishments which comprise substantial parts of different branches of industry shall belong to that accident association to which the main establishment belongs. It may be provided by the constitution of the association that undertakings which are subsidiary to an industrial establishment and which are connected with agriculture and forestry shall be insured under this law provided that most of the workmen in these undertakings are employed in the main establishment. If such a provision is included in the constitution, the establishments affected by it shall, as soon as it goes into effect, cease to be insured in the accident association under the accident insurance law for agriculture and forestry.

PAR. 3. Those on whose account the establishment is carried on are regarded as the employers.

PAR. 4. The accident association has to render compensation for accidents in other establishments if these accidents occur in connection with operations for which an employer belonging to the accident association has given the order and for which he is to pay the wages.

PAR. 5. The accident associations may, in their own name, acquire rights and assume obligations and also sue and be sued.

PAR. 6. For the obligations of the accident association, only the property of the association can serve as security to creditors.

*Source of income.*

## ARTICLE 29.

PARAGRAPH 1. The means for paying the compensation to be provided by the accident association and the expenses of administration shall be raised by contributions which are to be assessed year by year on the basis, first, of the wages and salaries earned in their respective establishments by the persons insured, or of the local daily wage (to be reckoned according to article 10, paragraph 4) of the ordinary adult day laborer, and, second, of the risk tariff provided for in the constitution.

PAR. 2. If any wage or salary paid during the period of the contribution amounts to more than 1,500 M. [\$357] a year, only one-third of the excess of this amount is to be considered in making the computations.

## ARTICLE 30.

PARAGRAPH 1. Regardless of the regulations in article 29, it may be provided by the constitution that the actual salaries and wages earned shall be used as the basis in assessing the contributions.

PAR. 2. For establishments in which not more than five workmen are regularly employed, it may be further provided by the constitution, and on what basis, that, with the consent of the employer, a lump sum is to be used instead of the individual wage as the basis in computing the assessments, or that a single minimum contribution, not to exceed 4 M. [95.2 cents] annually, is to be paid.

PAR. 3. It may be provided in the constitution that the employers of the industrial workers designated in article 5, paragraph 1 (b) shall pay the contributions for the insured employees of the latter and also for the industrial workers, themselves, if the constitution extends the insurance to them.

## ARTICLE 31.

PARAGRAPH 1. No contributions may be raised from the members of the accident associations, nor may expenditures be made from the assets of the association for other purposes than the payment of compensation and of administrative expenses, the accumulation of the reserve fund (article 34), the granting of prizes for rescuing persons in cases of accident and the prevention of accidents, and also, with the approval of the imperial insurance office, the establishment of medical institutions or homes for the convalescent.

PAR. 2. To meet the expenses of administration, the accident associations may collect from their members a contribution in advance for the first year. Unless the constitution provides otherwise, this contribution shall be made proportionate to the number of persons subject to insurance who are employed by the members in their respective establishments (article 35).

## ARTICLE 32.

PARAGRAPH 1. Quarterly or semiannual advances on the contributions may be required of the members by a provision of the constitution. The amount of these advances is proportionate to the contributions assessed on the individual members for the preceding fiscal year, or to the contribution paid by them according to article 30, paragraph 2, and shall amount, in the first case, to one-fourth and in the second case to one-half of the contributions, unless the general meeting of the accident association has decided upon a lower sum. For new members, the advances are to be proportionate to the amount which these members, according to the size of their establishment, would have had to contribute to the expenses of the preceding fiscal year if they had been members of the association at that time.

PAR. 2. The advances shall be paid over to the board of directors within two weeks after the date of payment specified in the constitution or by the general meeting of the association.

## ARTICLE 33.

Proprietors of undertakings located in a foreign country, if they are temporarily engaged in this country in a business subject to insurance, may be required by the board of directors of an association to pay contributions up to twice the usual amount, and to give proper security.

## ARTICLE 34.

PARAGRAPH 1. The accident association shall accumulate a reserve fund. For its accumulation there shall be levied, when the first period for the payment of insurance contributions arrives, a supplementary assessment of 300 per cent of such contributions; at the second period, 200 per cent; at the third, 150 per cent; at the fourth, 100 per cent; at the fifth, 80 per cent; at the sixth, 60 per cent; and thereafter, 10 per cent less at each period until the eleventh period. After the close of the first eleven years or, provided that the eleventh year has already been passed at the time this law goes into effect, from the latter time, the accident associations shall annually add to the amount of the legal reserve, for three years 10 per cent, and then for each succeeding period of three years, 1 per cent less down to 4 per cent, including the interest each time. After the expiration of this time, such amounts shall be taken from the interest of the reserve fund as may be required to prevent a further increase in the average amount of the contribution required per insured person. The rest of the interest is again to be added to the reserve fund.

PAR. 2. In case of stringent need, the association, with the approval of the imperial insurance office, may use the interest of the reserve and even encroach on the principal of the reserve before the accumulation required above has been attained. Restitution to the reserve shall then take place as may be required by the imperial insurance office.

PAR. 3. Upon the recommendation of the board of directors of the association, the annual meeting of the association may at any time, order further supplementary additions to the reserve. Such determination shall require the approval of the imperial insurance office.

## II. ORGANIZATION AND RECONSTRUCTION OF THE ACCIDENT ASSOCIATIONS.

*Decisions as to what establishments are subject to insurance.*

## ARTICLE 35.

PARAGRAPH 1. Every owner of an establishment to which article 1 or 2 applies, but which has not yet been subjected to imperial accident insurance shall, within a period to be determined and to be announced by the imperial insurance office, make to the lower administrative authorities, a declaration of the purpose and nature of the establishment, with information concerning the average number of employees.

PAR. 2. For establishments which have not made declaration, the lower administrative authorities shall complete the information at hand from their knowledge of the circumstances.

PAR. 3. They are hereby authorized to require an employer who has not done so, to make a declaration within a period hereafter to be defined, under penalty of a fine of not more than 100 M. [\$23.80].

PAR. 4. The lower administrative authorities shall draw up a list of the establishments in their respective districts, arranged according to branches of industry, with information concerning the purpose and nature of each undertaking and the number of persons subject to insurance who are therein employed. This list is to be transmitted to the higher administrative authorities and to be corrected by them if necessary.

PAR. 5. The higher administrative authorities shall transmit the lists of all the establishments subject to insurance in their respective districts to the imperial insurance office, which shall forward them to the boards of directors of the association having jurisdiction.

*Constitution of the accident associations.*

## ARTICLE 36.

PARAGRAPH 1. The accident associations regulate their internal administration and their business by a constitution enacted by the general meeting. Until the business shall be taken over by the board of directors chosen under an approved constitution (article 39), the provisional board of directors chosen by the constituent general meeting and to consist of a president, a secretary and at least three members shall conduct the general meeting of the association and manage its business.

PAR. 2. A member of an accident association may be represented at the general meeting of the association by another member entitled to vote or by a fully authorized manager of his establishment.



## ARTICLE 37.

The constitution shall specify—

1. the name and seat of the association;
2. the organization of the board of directors and the extent of its powers;
3. the calling of the general meeting of the association and the manner in which it shall act;
4. the voting powers of the members of the association and inspection of credentials;
5. the principles on which the officers of the association shall act in arranging the tariff of risks (article 49);
6. the procedure in case of changes in the establishment or changes in the person of the employer (article 60, paragraph 2, articles 61 and 62);
7. the consequences of the closing of an establishment or of a change in the person of the employer and more particularly, the manner of assuring the payment of contributions by employers who close their establishments;
8. the reimbursements to be made to the representatives of the insured persons for attendance at association meetings (article 14, paragraph 4);
9. the preparation, auditing, and acceptance of the yearly balance sheet;
10. the manner of exercising the powers hereinafter granted the association to issue regulations for the prevention of accidents and to supervise establishments (articles 112 and following);
11. the conditions under which the constitution may be amended;
12. the method of procedure to be observed in the declaration and the withdrawal of insured employers and of other persons (article 5) not insured according to articles 1 or 2 and the amount of the annual earnings to be used as the basis of the insurance of employers, as well as the manner in which this amount shall be determined (articles 5 and 10).

## ARTICLE 38.

PARAGRAPH 1. The constitution may prescribe that the general meeting of the association shall be composed of representatives, that the accident association shall be divided into geographical sections and that agents shall be appointed as local officers of the association. If the constitution contain provisions of this kind, it shall, at the same time, contain provisions for the choice of the representatives, the seats and districts of the sections, the composition and calling of the general meetings of the sections, as well as the manner in which they shall act and the extent of their authority, the organization of the boards of directors of the sections and the extent of their authority. It shall also provide for the fixing of the districts of the agents, the appointment of the latter and of their substitutes and the extent of their authority.

PAR. 2. The delimitation of the districts of the agents and also the selection of the latter and of their substitutes may be turned over by the general meeting of the association to the board of directors of the association or of the section, and the selection of the boards of directors of the section may be turned over to the general meeting of the section.

## ARTICLE 39.

PARAGRAPH 1. The constitution of the association becomes valid only when approved by the imperial insurance office. The same holds true of amendments of the constitution. Complaint of the refusal of approval may be made to the Federal Council within a month after the refusal is announced.

PAR. 2. If the approval of the constitution is finally refused, the imperial insurance office shall, within a month, summon a new constituent general meeting of the association to reconsider the constitution. If the constitution enacted by this assembly is also finally rejected, a constitution shall be furnished by the imperial insurance office.

*Publication of the name and seat of the association.*

## ARTICLE 40.

PARAGRAPH 1. After the final adoption of the constitution the board of directors of the association shall publish in the Reichsanzeiger—

1. the name and seat of the association;
2. the districts of the various sections.

PAR. 2. All amendments are to be published in the same manner.



*Board of directors of the association.***ARTICLE 41.**

**PARAGRAPH 1.** The board of directors of the association is intrusted with the entire administration of the association, unless certain matters are reserved by the law or by the constitution to the general meeting of the association or are turned over to other officials of the association.

**PAR. 2.** The board of directors may decide pressing questions by a written ballot.

**PAR. 3.** The following duties must be reserved to the general meeting of the association:

1. the election of the members of the board of directors;
2. the amending of the constitution;
3. the auditing and acceptance of the annual balance sheet, unless this duty is turned over by the general meeting to a committee.

**ARTICLE 42.**

**PARAGRAPH 1.** The association is represented, in and out of court, by its board of directors. This representation extends to kinds of business and to legal transactions for which the law requires a special power to act. The constitution may turn over this representation to one or several members of the board of directors.

**PAR. 2.** The association possesses all the rights, and assumes all the obligations undertaken by the board of directors of the association, the boards of directors of the sections and the agents, within the limits of the authority conferred on them by the law and the constitution.

**PAR. 3.** For the identification of the boards of directors in legal transactions, the certificate of the higher administrative authorities that the persons therein named constitute the board of directors suffices.

**PAR. 4.** The board of directors of the association may, without prejudice to its own responsibility (article 45), turn over certain business to paid agents. The regulations for the carrying out of this provision shall be issued by the imperial insurance office.

**ARTICLE 43.**

**PARAGRAPH 1.** The following are eligible to election as members of the board of directors and as agents:—Those members of the association who are entitled to vote and their legal representatives, and also, if the constitution permits it, business managers having a power of attorney from their employers. No person incapable of performing jury duty is eligible (articles 31 and 32 of the law on the constitution of courts).

**PAR. 2.** The election may not be refused except for the same reasons for which, according to article 1786, section 1 (2 to 4) and (8) of the Civil Code, the office of guardian may be declined. The holding of an honorary office under the laws concerning sickness insurance, accident insurance, or invalidity insurance, is on the same basis as the assumption of a guardianship. Other grounds for refusal may be defined by the constitution. Reelection may be declined for one election period.

**PAR. 3.** Those persons who decline election to an office without proper reason or who fail to perform the duties of their office without sufficient excuse, may be punished by the board of directors with fines of not more than 500 M. [\$119].

**ARTICLE 44.**

The members of the boards of directors and the agents are honorary officers who serve without compensation save that which may be prescribed by the constitution as a recompense for their loss of time in attending to the business of the association. The amount of such compensation is subject to the approval of the imperial insurance office. Cash expenditures are repaid them by the association and, if they consist of traveling expenses, the repayment is to be made according to fixed rates adopted by the general meeting of the association. Outside of such allowances, the members of the board of directors may receive no compensation for their management of the business.

**ARTICLE 45.**

The members of the boards of directors and the agents give security to the association for the faithful performance of their duties in the same manner as guardians for their wards, and if they purposely injure the association, they are subject to the provisions of article 266 of the Penal Code.

## ARTICLE 46.

If an election to the association's offices mentioned in the law does not take place or if the persons elected refuse to discharge their duties under the law or the constitution, then, as long as, and to the extent to which this is the case, the imperial insurance office shall, at the expense of the association, discharge these duties or cause them to be discharged by its agents.

## ARTICLE 47.

If facts are known concerning an elected person which make him ineligible under this law or which show that he has grossly violated his official duty, the elected person, after he has had an opportunity to defend himself, shall be removed from office by action of the board of directors. An appeal from this decision may be made within one month to the imperial insurance office, and in the meantime he shall not perform his official duties.

*Officers of the association.*

## ARTICLE 48.

PARAGRAPH 1. The general meeting of the association shall determine the rules by which the legal relations and general conditions of appointment of the officers of the association are governed. These rules require confirmation by the imperial insurance office.

PAR. 2. The salaries of the officials are determined for each case by the association in its rules for internal management.

*Classification of risks.*

## ARTICLE 49.

PARAGRAPH 1. The general meeting of the association shall establish rules for classifying establishments according to the degree of accident risk in them and for the determining of the amount of contributions in different establishments (i. e., the risk tariff).

PAR. 2. By vote of the general meeting of the association, the arrangement of and the changes in the tariff of risks may be assigned to a committee or to the board of directors.

PAR. 3. The arrangement of and the changes in the tariff of risks must have the approval of the imperial insurance office. If the association fails to establish a tariff of risks within a period to be determined by the imperial insurance office, or fails to get the assent of the office to its tariff, the imperial insurance office, after hearing such representatives of the association as shall have been assigned the task of establishing the tariff, shall itself determine the tariff.

PAR. 4. The assignment of establishments to the different risk classes shall be made by the officers of the association in the manner prescribed by the constitution (article 37). From such an assignment an employer may appeal to the imperial insurance office within two weeks. After the assignment has been made, the association may reassign an establishment during the period for which the tariff is in force if the former assignment was made on the basis of incorrect information given by the employer. To this new assignment the same provisions apply as to the former assignment.

PAR. 5. The tariff of risks is to be revised after a period of not more than two years and thereafter every five years in the light of the accidents that have taken place in the different establishments. The results of such revision are to be submitted to the general meeting of the association, with a statement of the accidents compensated under this law that have taken place in the different establishments; the general meeting shall then act on the retention or change of the classification of risks and tariff of risks. Changes in the risk classification or the risk tariff are not valid without the approval of the imperial insurance office, and the list of accidents that have taken place must also be submitted to the same office for approval.

PAR. 6. The general meeting may, for the ensuing period, impose supplementary contributions or grant returns of contributions to employers according to the accidents that have taken place in their establishments.

*Distribution of the risks.*

## ARTICLE 50.

PARAGRAPH 1. The constitution may provide that the amounts paid for compensation up to 75 per cent thereof, shall be borne by the geographical sections in whose districts the accidents take place.

PAR. 2. The contributions which are thereby imposed upon the sections shall be assessed on their members in accordance with the classification of risks and with the rates of contributions established therein for the association itself.

*What risks shall be borne in common.*

## ARTICLE 51.

PARAGRAPH 1. Associations may agree to unite for the purpose of joint action in the payments of compensations for all or part of which they are jointly responsible. Such agreements must have the consent of the general meetings of the associations concerned and the approval of the imperial insurance office. They shall take effect only at the beginning of a fiscal year.

PAR. 2. Such an agreement must specify the manner of the distribution of the obligations jointly assumed by the associations.

PAR. 3. The general meeting of each association shall decide upon the distribution, among its members, of its share in the joint obligations. If no such provision is made, this share is to be apportioned in the same way as that prescribed by this law (articles 29, 30 and 49) for the assessment of the regular compensations paid by the association.

*Changes in the composition of the accident associations.*

## ARTICLE 52.

PARAGRAPH 1. After accident associations have been organized, changes in their composition may be made at the beginning of a new fiscal year, according to the following provisions:

1. By vote of the general meetings concerned several associations may consolidate with the approval of the Federal Council.

2. The withdrawal of individual branches of industry or of specified areas from one association and their union with another association may be made by vote of the general meetings of each association concerned, with the approval of the Federal Council. This approval may be refused if the withdrawal would imperil the solvency of one of the associations concerned with regard to its existing obligations.

3. If the consolidation of several associations or the withdrawal of individual branches of industry or local sections from one association and their union with another is favored by one association but opposed by the other, the Federal Council, shall, on being appealed to, decide the matter.

4. Applications for the withdrawal of individual branches of industry or specific areas from an association and the establishment of a special association for them shall be considered by the general meeting of the association and then submitted to the Federal Council for final decision.

PAR. 2. Approval of the formation of the new association may be refused if the number of establishments for which the association is to be formed or the number of workmen therein employed is too small to insure the permanent solvency of the association with regard to the payment of the obligations imposed on it by accident insurance, or if establishments are to be excluded from the association which, on account of their small number or of the small number of the workmen therein employed, are not in a position to form a solvent association of their own and can not be conveniently assigned to another association.

PAR. 3. If approval is given, a constitution is to be framed for the new association according to the provisions of articles 36 to 39.

## ARTICLE 53.

PARAGRAPH 1. If several associations are consolidated into one association, all their rights and obligations are transferred to the newly established association from the date when the change goes into effect.

PAR. 2. If individual branches of industry or specific areas withdraw from one association and join another, then, from the time this change is made, the claim for

compensation arising against the first association on account of accidents which have occurred in establishments of withdrawing members shall be satisfied by the association to which the latter now belongs.

PAR. 3. If individual branches of industry or specific areas withdraw from one association to form a new association, then, from the time of the withdrawal, the claims for compensation arising against the first association on account of accidents which have occurred in establishments of withdrawing members shall be satisfied by the newly established association.

PAR. 4. If, on account of the withdrawal of branches of industry or specific areas, claims to compensation are transferred to other associations, the latter have a claim to a corresponding part of the reserve fund and of the other property of the association from which the withdrawal takes place.

PAR. 5. The provisions of paragraphs 2 and 4 are correspondingly applied if, in consequence of corrections in the register, individual establishments or subsidiary establishments are transferred from one association to another.

PAR. 6. The above provisions may be altered or supplemented by agreement of the general meetings of the associations concerned.

PAR. 7. Disputes which arise between associations in connection with the division of property are, failing an agreement to submit them to arbitration, to be decided by the imperial insurance office.

#### *Dissolution of accident associations.*

##### ARTICLE 54.

Accident associations which become incapable of discharging the obligations imposed on them by this law may, on the application of the imperial insurance office, be dissolved by the Federal Council. Those branches of industry which constitute the dissolved association shall, after being heard, be joined to other accident associations. With the dissolution of the accident association, its legal claims and its obligations are assumed by the Empire, with the reservation specified in article 127.

### III. AFFILIATION OF THE INDIVIDUAL ESTABLISHMENTS—CHANGES IN ESTABLISHMENTS.

#### *Membership.*

##### ARTICLE 55.

PARAGRAPH 1. Every owner of an establishment belonging to those branches of industry for which the association is established, is a member of the association if the establishment is located in the district of the association. The membership begins when the establishment is opened or when it becomes subject to insurance.

PAR. 2. Every member of the association is entitled to vote unless he has lost his civil rights.

#### *Declaration of establishments.*

##### ARTICLE 56.

PARAGRAPH 1. Every owner of an establishment subject to insurance who has not already made declaration is required, within a week after becoming a member of an association (article 55), to furnish to the lower administrative authorities in whose district the establishment is located a declaration setting forth—

1. the purpose and nature of the establishment;
2. the number of insured persons;
3. the accident association to which the establishment belongs;
4. in the case of an establishment which has been opened or has become subject to insurance since the law went in effect, the date of the opening or of the beginning of the obligation of insurance.

The declaration shall be made in duplicate. A receipt shall be given for it.

PAR. 2. If the declaration is not made in due time, the lower administrative authorities are authorized to compel the employer, by the imposition of fines not exceeding 100 M. [\$23.80], to give an account of the condition of the establishment, within a period to be determined.

PAR. 3. The employer shall, within his establishment, make known by means of a placard to which accident association and to which section the establishment belongs, as well as the addresses of the boards of directors of the association and the section respectively. If there is an agricultural undertaking connected with an industrial establishment (article 28) this is to be stated on the placard.

#### ARTICLE 57.

PARAGRAPH 1. Within a week after the receipt of the declaration of an establishment located in their district, the lower administrative authorities shall assign it to the association designated in the declaration, by sending a copy of the latter to the board of directors.

PAR. 2. If, in the opinion of the lower administrative authorities, the establishment belongs to another association rather than that designated in the declaration, a copy of the declaration shall be sent to the board of directors of the association to which the establishment properly belongs, and, at the same time, an announcement shall be sent both to the board of directors of the association designated in the declaration and to the employer.

PAR. 3. In the case of establishments for which no declaration is made, the lower administrative authorities shall themselves, within one week after the end of the period fixed by them in accordance with article 56, paragraph 2, make the declaration provided for in article 56, paragraph 1 (1 to 4), and assign the establishment accordingly.

#### *Association registers.*

#### ARTICLE 58.

PARAGRAPH 1. The boards of directors of the associations shall each keep an association register, compiled from the lists of establishments subject to the insurance (article 35) and from the subsequent assignments (article 57), furnished them by the imperial insurance office.

PAR. 2. Individual members shall be entered in the register after a preliminary investigation of the appropriateness of their membership in the association.

PAR. 3. When listed in the register, members are given certificates of membership by the board of directors of the association, the certificates being transmitted by the lower administrative authorities. If the association is divided into sections, the certificate of membership must designate the section to which the employer belongs. If registration is denied, the decision, with the reasons for it, shall be conveyed to the employer through the lower administrative authorities.

#### ARTICLE 59.

PARAGRAPH 1. The employer may appeal to the imperial insurance office from the registration, or the refusal of it, within two weeks after receiving the certificate of membership or the negative decision. The appeal must be made through the lower administrative authorities. If, in the consideration of the complaint, it develops that the establishment does not belong to any existing association, then it shall be assigned by the imperial insurance office to that association to which by its nature it is most closely allied.

PAR. 2. If, within the prescribed period, no appeal is made by the employer from a negative decision, the lower administrative authorities may present the case to the imperial insurance office for a decision. If the accident association makes an application for such action, the authorities are required to exercise this authority.

PAR. 3. If, in the case mentioned in article 57, paragraph 2, the membership of the employer is recognized by the board of directors of the association designated in the declaration, they are under obligation to notify the board of directors of the other association of this fact. The latter are authorized to protest within two weeks after receiving such notice, to the imperial insurance office against the recognition of membership.

#### ARTICLE 60.

PARAGRAPH 1. The boards of directors of sections shall be given excerpts from the register concerning the employers belonging to their sections.

PAR. 2. Every change in the person of the one for whose account the establishment is conducted shall be reported by the employer to the board of directors of the association within the term to be prescribed by the constitution, for the purpose of correcting the register. If no declaration of the change is made, the contributions assessed



on the members of the association shall continue to be collected from the employer listed in the register. The liability of the former employer continues for the fiscal year in which the declaration is made, but at the same time the new employer is not released from the liability legally devolving on him for the contributions.

*Changes in establishments.*

ARTICLE 61.

PARAGRAPH 1. Within a term to be fixed by the constitution, every owner of an establishment shall report to the board of directors of the association any changes in his establishment which have a bearing on the appropriateness of his membership in the association. If in consequence of this declaration or on its own accord without having received any such declaration, the board of directors become convinced of the necessity of transferring the establishment to another association it shall through the lower administrative authorities notify the employer and the board of the directors of the association concerned of this belief and the reasons therefor. Either the board of directors of the last-named association or the employer may, within two weeks, file a protest with the board of directors of the association making the transfer against such action.

PAR. 2. If within this prescribed term no protest is made, the establishment shall be transferred from one register to the other and a new membership certificate shall be made out for the employer.

PAR. 3. If a protest is made against the transfer, or if the board of directors of a third association, under the protest of the employer or of the board of directors of the association to which the establishment has hitherto belonged, claim the right to have the establishment transferred to it, the board of directors of the association to which the establishment has hitherto belonged shall apply to the imperial insurance office for a decision of the case. The latter shall render its decision after giving a hearing both to the employer concerned and to the boards of directors of the associations concerned.

PAR. 4. If the application for a transfer is approved, the change in association membership goes into effect from the day on which the application was made to the board of directors of the association concerned.

ARTICLE 62.

Concerning the declaration of such changes in an establishment as have a bearing on its place in the risk tariff (article 49) and concerning the further procedure in this connection, the bylaws of the association shall make provision. The owner of the business may within two weeks appeal to the imperial insurance office against the decision made by the board of directors of the association or by the committee (article 49) acting either on receipt of notice of the change or on their own initiative.

IV. DETERMINATION AND PAYMENT OF THE COMPENSATION.

*Reporting and investigation of accidents.*

ARTICLE 63.

PARAGRAPH 1. There must be sent by the owner of the establishment to the local police authorities and to the association officer designated in the constitution, a written report of every accident which occurs in an insured establishment whereby a person employed therein is killed or suffers an injury which results in complete or partial disability of more than 3 days' duration or in death.

PAR. 2. The report must be sent within 3 days after the day on which the employer learns of the accident.

PAR. 3. Instead of the owner of the establishment the person who, at the time of the accident, was in charge of the establishment or that part of the establishment in which the accident happened may make the report; he shall do so, if the owner is absent or is otherwise prevented from attending to the matter.

PAR. 4. The blank forms for the report will be prepared by the imperial insurance office.

PAR. 5. The directors of undertakings conducted by the imperial or state governments shall make the declaration prescribed in paragraph 1 to their superior authorities in the manner prescribed by the latter.



## ARTICLE 64.

PARAGRAPH 1. Every accident reported, through which an insured person has been killed or has suffered an injury which will presumably lead to a claim to compensation under this law, shall as soon as possible and, in the cases specified in article 76b of the sickness insurance law and article 13 of this law, immediately upon receipt of a request for an investigation from the accident association or the sick fund concerned, be investigated by the local police authorities for the purpose of ascertaining—

1. The cause and nature of the accident;
2. The persons killed or injured;
3. The nature of the injuries received;
4. The whereabouts of the injured persons;
5. The survivors of the persons killed by the accident and the relatives of those injured who may claim compensation under this law;
6. The amount of the pensions which the injured person may receive under the accident insurance law or the invalidity insurance law.

PAR. 2. On application of the board of directors of the association or of the section or of the sick fund concerned, the local police authorities shall also undertake an investigation even if they think that the conditions mentioned in paragraph 1 are not present.

## ARTICLE 65.

PARAGRAPH 1. The following may take part in the investigation: The state inspectors (article 139b of the Industrial Code), representatives of the association, a duly authorized agent of the board of directors of the sick fund to which the injured person belonged at the time of the accident, and the owner of the establishment or his representative. For this purpose the state inspector, the board of directors of the association, the board of directors of the sick fund, and the owner of the establishment shall receive due notice. If the association is divided into sections or if agents have been appointed by the association, notice of the institution of the investigation shall also be sent to the board of directors of the section or to the agents of the association.

PAR. 2. In addition to the above named persons, the interested persons, as far as possible and, on the application and at the expense of the association, experts as well, shall be summoned.

## ARTICLE 66. .

The persons concerned shall, on request, be given an opportunity to examine and, in return for repayment of the copying fees, to receive a copy of the minutes of the investigation and of the other records. The provision for the repayment of the copying fees may be waived.

## ARTICLE 67.

In the case of the establishments designated in article 63, paragraph 5, the authorities in charge shall decide what authorities shall undertake the investigation according to the provisions of articles 64 to 66.

## ARTICLE 68.

PARAGRAPH 1. If an accident occurs on a journey, the report prescribed by article 63, paragraph 1, shall be made to the police authorities of the district in which the accident occurred or in which the injured person made his first stop after the accident. The investigation of the accident (article 64) is conducted by those police authorities to whom the report is made. On application from the persons concerned (article 65), the superior police authorities may cause the investigation to be conducted by the police authorities of another district. The local police authorities called upon to conduct the investigation shall duly inform the sick fund to which the injured person belongs of the time at which the investigation is to be undertaken.

PAR. 2. In the case of establishments conducted by the imperial or state governments the provisions of article 63, paragraph 5, and article 67 shall govern the procedure.

*Determination of the compensation.*

## ARTICLE 69.

PARAGRAPH 1. Compensation is determined (articles 8 to 24):

1. By the board of directors of the sections, if the association is divided into such sections, provided that the matters to be settled deal with—

(a) the benefits to be provided according to article 9, paragraph 1 (1);

(b) the pension to be paid during the continuance of presumably temporary disability;

(c) funeral benefits;

(d) placing of the injured person in a medical institution;

(e) the pension to be paid to the relatives of the injured person during the time of his treatment in a medical institution.

2. In all other cases by the board of directors of the association.

PAR. 2. The constitution of the association may provide that, in the cases specified in paragraph 1 (1) the compensation shall be determined by a committee of the board of directors of the section or special commissions or by local deputies (agents), and in the cases specified in paragraph 1 (2) by the board of directors of the section or by a committee of the board of directors of the association or of the section or by special commissions.

PAR. 3. If, on the basis of a medical opinion, compensation is to be denied or only a partial pension is to be given, the attending physician shall first be heard. If he is in the employ of the association, another physician shall, upon application, be called in.

#### ARTICLE 70.

PARAGRAPH 1. If compensation is to be denied, this fact shall be announced to the injured person, or, in case of his death, to his survivors if they are entitled to compensation according to articles 16 to 19 and 21. If compensation is to be granted, the persons named shall be notified of the amount of compensation which will be paid and of the data used in making the computation therefor.

PAR. 2. The injured person and his survivors (articles 16 to 19), are entitled to a hearing within two weeks after receiving such notice. On their application made within like period, the lower administrative authorities shall record such claims in writing. If such application is made, the lower administrative authorities shall, without delay, notify the proper officer of the association of this fact; the latter shall withhold decision until the receipt of this record.

PAR. 3. In the notices prescribed in paragraph 1 the proper officer of the association shall state the rights given by paragraph 2 and by article 69, paragraph 3, and the time limit prescribed in paragraph 2.

#### ARTICLE 71.

PARAGRAPH 1. The determination of the compensation shall be by expedited procedure on the part of the officials.

PAR. 2. For the injured persons for whom, after the expiration of the first 13 weeks following the accident, further medical treatment is required to complete their recovery from their injuries, the determination of the compensation shall include at least all the compensation to be made up to the completion of the medical treatment. Further compensation, if it cannot be determined earlier, shall be determined without delay at the close of the medical treatment.

PAR. 3. If the final determination cannot be made at once, provisional compensation shall be given.

#### ARTICLE 72.

PARAGRAPH 1. Persons entitled to compensation, for whom the compensation is not determined by the officials shall, on pain of exclusion, make their claim for compensation, within two years after the accident, to that accident association on which the obligation of compensation devolves. This provision is regarded as complied with if the claim is made to an office of an association other than the proper one or to another accident association, or to lower administrative authorities not having jurisdiction in the place of residence of the person entitled to compensation. In such a case, the claim is to be forwarded to the proper place and the person concerned is to be informed of the fact.

PAR. 2. If the claim is made after the expiration of the prescribed term, it shall be granted only if, at the same time creditable evidence is presented that a result of the accident giving a claim to compensation first became noticeable after the expiration of the term or that the persons entitled to compensation were prevented from prosecuting their claims by circumstances beyond their control and if the claim is made within three months after the result of the accident became noticeable, or the hindrance to making the claim was removed.

## ARTICLE 73.

PARAGRAPH 1. If the claim to compensation has been made and admitted, the compensation shall be determined at once. If the accident association is of the opinion that the accident gives no claim to compensation, the claim shall be denied in a written decision. This decision shall be accompanied by the reasons for it.

PAR. 2. If the association is of the opinion that the accident does give a claim to compensation but that the compensation should be provided by another association, the board of directors of the association shall make temporary provision for the person entitled to compensation and, after informing the board of directors of the other association of the stage of the negotiations concerning the recognition of the obligation to make compensation, shall come to an agreement with that board. If the latter refuses to recognize the obligation or if, within a term of 6 weeks, it fails to make a statement, the imperial insurance office shall be asked to decide which association shall make the compensation. The decision shall also be made known to the person entitled to compensation.

## ARTICLE 74.

Members of the association are under obligation, on demand from the officials and in accordance with the requirements of article 69 for determining the compensation, to supply within one week, such information as to salaries and wages as may be requisite for determining the compensation.

*Decisions of the board of directors.*

## ARTICLE 75.

Those authorities who have undertaken the determination of the compensation shall send to the person entitled to it a written decision showing the amount of compensation granted and the way in which it was estimated. In the case of compensation for permanent disability, it is to be expressly stated what degree of disability is assumed.

*Appeals.*

## ARTICLE 76.

PARAGRAPH 1. Against the decision by which a claim to compensation is rejected, and also against the decision by which compensation is determined, appeal may be made to a court of arbitration.

PAR. 2. The appeal shall, on pain of exclusion, be made within one month after the announcement of the decision (law concerning the amendment of the accident insurance laws, article 3), to the court of arbitration of the district where the establishment in which the accident has taken place is located.

PAR. 3. The last provision is regarded as complied with, if, within the term mentioned, the appeal is made to some other domestic official or to an officer of an association. They shall, without delay, turn over the written appeal to the competent court of arbitration.

PAR. 4. The decision must designate the court of arbitration competent to hear the appeal and state the time limits of the appeal.

PAR. 5. With the exception of the case provided for in article 23, the appeal does not act as a stay to the proceedings.

## ARTICLE 77.

PARAGRAPH 1. If in the case designated in article 15, paragraph 1 (2), the recognition or the refusal of recognition of the legal relation between the person killed and those claiming compensation is the condition of granting the claim, the court of arbitration may require the persons concerned to prove first of all, the legal relation in question by regular legal procedure. In this case, the complaint shall on pain of exclusion, be made within a term which must be designated by the court of arbitration and shall be not less than one month after the announcement of the decision made in the matter by the court of arbitration.

PAR. 2. After a valid decision has been obtained by regular legal procedure, the court of arbitration shall, on renewed appeal, decide the claim to compensation.

## ARTICLE 78.

The court of arbitration, if it regards the claim to compensation as established, shall determine at the same time the amount of compensation and the time when the pension shall begin. If, in exceptional cases, to be particularly specified by the imperial insurance office, the court of arbitration has admitted the claim without, at the same time, determining the amount of compensation and the time when the pension shall begin, it shall, without delay, grant provisional compensation; from this action there is no legal appeal. As soon as the claim to compensation is established the amount of compensation and the time when the pension shall begin shall be determined, unless this has already been done. The amount provisionally paid shall be reckoned in the final settlement of the pension.

## ARTICLE 79.

A copy of the decision of the court of arbitration shall be sent to the person making the appeal and to the accident association office which rendered the contested decision.

*Final appeals.*

## ARTICLE 80.

PARAGRAPH 1. Against the decision of the court of arbitration in the cases specified in article 69, paragraph 1 (2), under reservation of the provisions of article 90, paragraph 2, and article 95, paragraph 1, the injured person or his survivors and the board of directors of the accident association have the right of final appeal. The final appeal of the board of directors acts as a stay in so far as it concerns amounts which are to be paid for the time preceding the issuance of contested decisions. In all other cases the final appeal does not act as a stay.

PAR. 2. If an appeal against a decision of the court of arbitration in the matters specified in article 69, paragraph 1 (1), is accompanied by a final appeal from a decision concerning the matters specified in article 69, paragraph 1 (2), the decision of the court of arbitration concerning the matters first mentioned shall not be modified in the court of final appeal unless the application for appeal is granted in other respects.

PAR. 3. The imperial insurance office decides the final appeal. The appeal shall be made to this office, under penalty of exclusion, within a month after the announcement of the decision of the board of arbitration; the provision of article 76, paragraph 3, finds corresponding application.

## ARTICLE 81.

PARAGRAPH 1. If the final appeal is inadmissible (article 80, paragraph 1) or is received after the expiration of the time limit (article 80, paragraph 3), the imperial insurance office shall reject the appeal without oral procedure; it may also proceed in the same manner if the members framing the decision unanimously hold the appeal to be obviously justified. Otherwise, the imperial insurance office shall decide the case by oral procedure.

PAR. 2. If a contested decision is reversed, the imperial insurance office may, instead of itself deciding the case, remand it to the court of arbitration or to the competent accident association office. At the same time the imperial insurance office may order that the person entitled to compensation be given a provisional grant of a specified amount. In the case of remandment, the legal arguments on which the imperial insurance office based its reversal shall be made the basis of further determinations or decisions.

## ARTICLE 82.

If, in the opinion of the imperial insurance office, another accident association than the one from which compensation has been claimed in the proceedings at law is under obligation to render compensation, the imperial insurance office may require this other association to attend the proceedings and, if compensation is granted to require it to pay the same, even if a claim against this association has already been legally rejected.

## ARTICLE 83.

PARAGRAPH 1. As soon as the claim of an injured person or his survivors against an association for compensation is legally recognized, any case which may be pending against another association on account of the same accident may, upon application, be discontinued by decision of the imperial insurance office.

PAR. 2. If, apart from the cases specified in article 85, claims to compensation against several associations on account of the same accident obtain legal recognition, the imperial insurance office shall reverse the incorrect determination or decision.

PAR. 3. Any payments made on account of the reversed determination or decision are to be repaid; to this extent the claim of the injured person is transferred to the association which is entitled to repayment.

#### ARTICLE 84.

In case of contests of legal decisions concerning a claim to compensation, the regulations of the Code of Civil Procedure concerning the resumption of procedure shall be applied, without prejudice to articles 82 and 83, unless otherwise provided by imperial decree with the approval of the Federal Council.

#### ARTICLE 85.

PARAGRAPH 1. If the employment in which the accident has occurred is carried on in several establishments belonging to different associations, the associations concerned may divide the compensation outlay among themselves. If no agreement is reached, the imperial insurance office may, on appeal from one of the associations concerned, make the division. In such a case, it is to be decided, after a hearing has been given to the boards of directors concerned and after proper consideration, what share of the accident compensation each association shall pay and what amount is to be repaid to that association which has made provisional compensation.

PAR. 2. Any one of the associations designated in the preceding paragraph may be required to pay a share of the contribution, even if a refusal of the association to grant compensation or a decision rejecting a claim against it for compensation has been legally confirmed.

PAR. 3. Failing an agreement, the imperial insurance office shall decide which association is the proper one to determine the compensation.

#### ARTICLE 86.

The accident associations are authorized to refuse repayment of the compensation made before the legal decision, according to articles 76, 78, and 81, (paragraph 2).

#### ARTICLE 87.

After the amount of compensation has been determined (article 69, et seq.), the board of directors of the accident association shall announce to the person entitled to compensation what post-office is to make the payment (article 97), and inform the lower administrative authorities of the person's place of residence and of the amount to which he is entitled. The same provision applies in the case of changes in the amount of compensation.

#### *Changes in conditions.*

#### ARTICLE 88.

PARAGRAPH 1. If the conditions which have been of importance in the determination of the compensation change materially, the amount of the compensation may be readjusted.

PAR. 2. After the expiration of two years from the going into effect of the decree or decision by which the compensation was first definitely determined, a readjustment of the compensation on account of a change in the injured person's condition may be asked for or undertaken, at intervals of not less than one year, unless the accident association and the person entitled to compensation have expressly agreed on a shorter period.

PAR. 3. During the first five years after the going into effect of the decrees or decisions mentioned, the readjustment shall be made by the accident association, either upon application or upon its own initiative, and afterward, unless the accident association and the person entitled to compensation have made an express agreement concerning readjustment, by decision of the court of arbitration upon application only.

PAR. 4. Not only the injured person but also the sick fund to which he belongs shall be entitled to ask for resumption of medical treatment.



## ARTICLE 89.

PARAGRAPH 1. If, within the first five years, a new decree is issued before the earlier decision concerning the amount of compensation has gone into effect, the decree altering the pension shall contain instructions as to the legal steps to be taken to prevent any legal measures taken in accordance with the earlier decree from interfering with the going into effect of the later decree. A copy of the new decree shall be sent to the authority before which the proceedings concerning the older decree are pending. This authority shall be empowered in deciding the earlier case to determine what compensation shall be paid for the time after the issuance of the new decree. If a contest of the new decree is instituted, such proceedings shall be discontinued.

PAR. 2. Before the reduction or annulment of a pension, the person receiving it shall be notified of the grounds for the reduction or the annulment and shall be granted a hearing.

PAR. 3. A pension may be increased only for the time subsequent to the submission of a claim for a higher pension.

PAR. 4. The diminution, discontinuance (article 94), or annulment of a pension goes into effect at the expiration of the month in which the decision on the revision is issued.

## ARTICLE 90.

PARAGRAPH 1. The revision of a pension after the expiration of the first five years may apply only to the time after the application has been submitted. Otherwise the time from which the increase, diminution, or annulment of the pension shall take effect is to be prescribed in the decision of the court of arbitration. The court of arbitration likewise shall decide in what amounts and at what periods any excess of compensation paid since the going into force of the diminution of the pension shall be repaid by the reduction of later pension payments. The court of arbitration may, on application, even before this decision, issue a provisional decree that any further payments of the pension shall be entirely or partially withheld until a legal decision upon the application for the discontinuance or diminution of the pension is made.

PAR. 2. The provisions of article 80 et seq. shall apply to the procedure of appeals from the decisions of the courts of arbitration. However, from the decisions and authorizations of the courts of arbitration designated in paragraph 1, second to fourth sentences, no appeal is permitted.

PAR. 3. If the application for revision of a pension is made to the court of arbitration before the previous decision as to the amount of the pension has come into force, then the authorities who had jurisdiction in the previous case are authorized in the latter case to decide what compensation shall be granted for the time after filing the application for a revision of the pension.

## ARTICLE 91.

The revision of a pension after a new course of treatment has been concluded, the withdrawal of pension payments (article 94), or the settlement of a pension by payment of a capital sum (article 95) may also be effected by decision of the accident association, after the expiration of the period prescribed in article 88, paragraph 3.

## ARTICLE 92.

If the injured person for whom compensation was determined has died as a result of the injury, the claim of the survivors to compensation shall, unless this compensation has been determined on their own initiative by the officials, be made, on pain of exclusion, before the expiration of two years after the death of the injured person, to the competent board of directors or to competent lower administrative authorities in the place of residence of the person entitled to compensation. A claim made after the expiration of this period shall be acted upon only if credible evidence is at the same time given, that the person entitled to compensation has been prevented by circumstances beyond his control from prosecuting his claim and if the claim is made within three months after the removal of the hindrance. Otherwise, the prescriptions of articles 69 to 87 apply to the procedure.



*Dates of payments.*

## ARTICLE 93.

PARAGRAPH 1. The expenses of medical treatment and funeral benefits shall be paid within one week after their determination; pensions shall be paid monthly in advance, or, if the annual amount is 60 M, [\$14.28] or less, in quarterly amounts; provided, in the last case, that it is not to be assumed that the pension will cease before the end of the quarter. The pensions are paid for the month or the quarter in sums which are multiples of 5 pfennigs [1 cent].

PAR. 2. The accident association may agree with the person entitled to compensation that the payments shall be made at longer intervals.

PAR. 3. If the right to the pension lapses in the course of the month for which the pension was paid, no demand for repayment shall be made. If, for a part of a month, the payment to the injured person conflicts with the payments to the survivors the latter shall claim the larger sum.

PAR. 4. The claim to repayment may also be waived if the pension was paid at longer periods.

*Suspension of payments.*

## ARTICLE 94.

The right to receive the pension ceases—

1. If the person entitled to compensation is sentenced to imprisonment for more than a month or is confined in a workhouse or house of correction. If he has relatives living in the Empire who would have a claim to a pension in the case of his death, the pension shall be transferred to them up to the amount of that claim;

2. If a foreigner entitled to compensation does not habitually live in this country. This provision may, by decision of the Federal Council, be waived for particular foreign border territories or for such foreign States as have made corresponding legal provision for German workmen who are injured by industrial accidents;

3. If a German citizen entitled to compensation is living in a foreign country and fails to inform the accident association of his place of residence. The imperial insurance office shall make detailed provisions for the reporting of the place of residence and shall prescribe that he shall from time to time appear in person before a German consul.

If the person entitled to compensation shows that through no fault of his own he was unable to comply with the last provision, his right to receive the pension is continued.

*Payment of capital sums in settlement.*

## ARTICLE 95.

PARAGRAPH 1. If, in the case of partial disability, a pension of 15 per cent, or less, of the amount of the full pension is granted, the accident association may, on application from the person entitled to compensation and after consultation with the lower administrative officials, settle the claim, by the payment of a corresponding capital sum. Before his application is accepted, the injured person must be informed of the fact that after the payment of the capital sum he will have no further claim to a pension even if his condition becomes decidedly worse. An appeal may be made from the decision by which the capital sum is determined (article 76). In this case, the appeal has the effect of holding up the settlement. Up to the time of the announcement of the decision, the application for such settlement may be withdrawn. The decision of the court of arbitration is final. It must be limited either to a confirmation or reversal of the decision.

PAR. 2. If the person entitled to compensation is a foreigner and if he ceases to reside within the German Empire, he may, on request, receive in settlement a capital payment of three times the amount of the annual pension. By decision of the Federal Council, this provision may be waived for particular areas of foreign border territory and for the citizens of such foreign States as have made corresponding legal provisions for German workmen injured by accident.

PAR. 3. These provisions also apply to such pensions as shall have been determined before this law goes into effect. If such a settlement is made in the course of the first three years after the law goes into effect, the accident associations are authorized to withdraw the necessary amount from the reserve fund. The reserve shall then be restored according to detailed provisions, to be made by the imperial insurance office (article 34, paragraph 2).

*Transfer of claims.*

## ARTICLE 96.

PARAGRAPH 1. Transfer of claims under this law to third parties, or giving or taking in pledge is legal only if made in order—

1. to cover an advance on his claim which has been given by the owner of the establishment or by an officer or agent of an association to a person entitled to compensation before the granting of the pension or of the funeral benefits;

2. to cover claims designated in article 850, paragraph 4, of the Code of Civil Procedure;

3. to cover claims from communes, the poor relief associations, and the employees or societies representing them or from the sick funds or insurance institutes for invalidity insurance, entitled to repayment according to articles 25 and 27.

PAR. 2. Claims may be made only on account of contributions and advances made, compensation paid through an error, the repayment of court costs, the fines imposed by the board of directors and the reimbursement claims of accident associations designated in article 136, paragraph 1.

PAR. 3. In exceptional cases, the person entitled to compensation may transfer the claim, wholly or partly, to others, with the approval of the lower administrative authorities.

*Payments through the post-offices.*

## ARTICLE 97.

PARAGRAPH 1. The payment of the compensation due under this law is advanced by the postal administration upon orders from the board of directors of the accident association; the advances are made by the post-offices of the district in which the persons entitled to compensation have their place of residence.

PAR. 2. If the person entitled to compensation changes his place of residence, he shall apply to the board of directors which has issued the order of payment, or to the post-office of his former place of residence for a transfer of the payment to the post-office of his new place of residence.

*Settlement of accounts by the post-offices.*

## ARTICLE 98.

Within 8 weeks after the close of each fiscal year the central postal authorities shall send to the boards of directors of the various associations statements of the payments which have been made by their order and shall designate the postal banks to which the amounts due shall be paid.

*Assessment and collection.*

## ARTICLE 99.

PARAGRAPH 1. The amounts presented for payment by the central postal administration shall be assessed, by the prescribed method of distribution, on the members of the associations and collected from them by their boards of directors, together with the cost of administration and with due consideration of any possible obligations or rights arising out of articles 50 and 51.

PAR. 2. For this purpose, every member of the association, unless according to article 30, paragraph 2, lump sums are to be made the basis of the estimate of contributions or minimum amounts are to be assessed, shall, within 6 weeks after the expiration of the fiscal year, make a statement to the board of directors of the association showing—

1. the insured persons employed in his establishment during the preceding year and the salaries or wages earned by them;

2. a computation of the amounts of salaries and wages to be used as the basis of the assessment, unless the constitution contains a provision within the meaning of article 30, paragraph 1;

3. the risk class in which the establishment is listed (article 49).

PAR. 3. The constitution may prescribe that the declarations of wages shall be turned in quarterly or semiannually and that lists of wages (wage books) be kept regularly, from which this information may be taken. The constitution may further prescribe that these lists of wages (wage books) be preserved for 3 years.

PAR. 4. If members of the association fail to send in this information promptly, it shall be ascertained by the board of directors of the association or of the section of the association.

#### ARTICLE 100.

PARAGRAPH 1. On the basis of the declarations (article 99) they have received and of the lump sums determined according to article 30, paragraph 2, and with consideration of the minimum amounts to be determined, the board of directors shall draw up a complete summary of the insured persons employed by the members of the association during the past fiscal year and of salaries and wages, as far as they can be estimated, earned by them and which are to be included in the computation and shall compute, according to this summary, the contributions to be made by each member toward the total expenses (article 99, paragraph 1). In the case of those members of associations whose establishments are first subjected to the obligation of insurance according to the provisions of article 1, paragraph 1, subsections 1, 2, 5, and 7, and article 2, paragraph 2, if they are assigned to an already existing accident association and are not to pay a minimum amount (article 30, paragraph 2,) the contributions shall, during the first 40 years after this law goes into effect, be computed on the basis of only a part of the salaries and wages (as far as they are to be included in the computation) earned in their establishments. This part shall equal for the first 5 years two-fifths, from the 6th to the 10th year three-fifths, from the 11th to the 20th year three-fourths, from the 21st to the 30th year nine-tenths and from the 31st to the 40th year nineteen-twentieths.

PAR. 2. After expiration of the 40th year, the full amount of the wages and salaries (as far as they are to be included in the computation) earned in establishments of this kind shall be made the basis for the computation of the contributions.

#### ARTICLE 101.

PARAGRAPH 1. Every member of an association shall be sent an extract from the register of assessments to be kept for this purpose, with the demand, that, on pain of compulsory collection, he pay within two weeks the contribution therein determined less the advances paid according to article 32. The extract must contain such information as will enable the person from whom the payment is due to test the accuracy of the computation of the contribution.

PAR. 2. After the extract from the register of assessment has been sent, the association is authorized to make a different computation of the amount, if the assignment of the establishment to a risk class according to article 49, paragraph 4, is subsequently changed or if a change which has taken place in the establishment during the year, becomes known afterward, or if an inaccuracy is discovered in the declaration of wages.

PAR. 3. If, in such cases, or in consequence of failure to declare the opening of a new establishment, the association shall have already lost in earlier years contributions to which it had a claim, the employer shall subsequently pay the amount in arrears, unless the claim is outlawed (article 103).

PAR. 4. In the case of a readjustment or a subsequent determination of the amount, the procedure is the same as in the first determination.

#### ARTICLE 102.

PARAGRAPH 1. The members of the association may, within 2 weeks after the delivery of the extract from the register of assessments, without prejudice to the obligation of provisional payment, protest to the board of directors of the association against the assessment of their contributions. If the protest is altogether without result or only partially successful, appeal may be made to the imperial insurance office within 2 weeks after the board of directors renders its decision.

PAR. 2. The appeal is admissible only if it is based on incorrect calculations or on the wrong determination of the amount of salaries and wages to be included in the computation, or on the faulty assignment of the establishment to a risk class other than that to which it belongs.

PAR. 3. On the two last named grounds, the appeal is, however, not admissible if the determination was prepared by the board of directors (article 99 paragraph 4) on account of the failure of a member of the association to furnish his statement.

PAR. 4. If, in consequence of the protest or the appeal, a reduction is made in the contribution, the deficit shall be made up when the assessment is made for the following fiscal year.

PAR. 5. If it subsequently appears that a contribution paid without protest (paragraph 1) was improperly levied or that the amount was too high, repayment may be demanded in the manner prescribed in paragraph 1. The claim is outlawed 6 months after the sending of the extract from the register of assessments.

#### ARTICLE 103.

PARAGRAPH 1. Arrears of contributions, advances on the contributions (article 32) and guarantee contributions (articles 33 and 37) (par. 7) are collected in the same way as communal taxes.

PAR. 2. The claim to contributions in arrear is outlawed, unless there is evidence of intentional defalcation, in two years after the expiration of the calendar year in which they should have been paid.

PAR. 3. Uncollectable contributions shall be made good by the association as a whole. They are to be advanced from the current expense fund (article 31, paragraph 2) or in case of necessity, from the reserve fund of the association and included in the assessment for the following fiscal year.

#### ARTICLE 104.

PARAGRAPH 1. In the case of owners of building establishments which are subject to insurance according to article 1, paragraph 1 (2), who have remained in arrears in the payment of their contributions and whose inability to pay has been proved by an attempt at compulsory collection, the lower administrative authorities on application of the board of directors of the association may issue an order—which is subject to appeal—that the contractor shall guarantee the contributions during one year after their final determination, in so far as they become due after the issuance of the order. If, in such a case there are middlemen, they assume the liability before the contractor.

PAR. 2. The order must plainly designate by name, place of residence and place of business, the employer to whom it applies and shall be sent in writing to the latter and also to the local police authorities of his place of residence and place of business. If the employer changes his place of business or his place of residence the local police authorities shall notify competent police authorities in the new place of business or residence of the order which has been issued. The local police authorities shall, on request, inform every person concerned of the order which has been issued.

PAR. 3. Before taking a contract for building work, employers against whom such orders have been issued, are required to give written notice of the order to the person letting the contract. If they fail to do this and if the one letting the contract suffers in consequence, they shall be punished by imprisonment for not more than one year, in addition to which fines of not more than 3000 M. [\$714] may be imposed.

#### ARTICLE 105.

PARAGRAPH 1. The lower administrative authorities shall withdraw this order (article 104) as soon as it is proved to them by a certificate of the board of directors of the association that all dues in arrears and other obligations to the association have been discharged by the employer or on his account.

PAR. 2. Against the order of the lower administrative authorities, against their refusal to make such an order, and against the decree issued on appeal to prevent the withdrawal of the order, appeal may be made within two weeks to the higher administrative authorities. The appeal does not act as a stay to the proceedings. The decision of the higher administrative authorities is final.

PAR. 3. Disputes concerning liability which arise between the accident associations on the one hand and the contractors or middlemen who are liable according to article 104, paragraph 1, on the other hand, are settled by the imperial insurance office without the right of appeal.

PAR. 4. The provisions of article 103, paragraph 1, apply to the contributions required from contractors and middlemen.

#### *Payment of contributions to the post-office.*

#### ARTICLE 106.

PARAGRAPH 1. The boards of directors of the association shall, within 3 weeks after receiving a statement of the amounts paid by the central postal authorities, forward the amounts to the post-offices designated.

PAR. 2. Against associations which remain in arrears in the payment of contributions the imperial insurance office shall, on application from the central postal authorities and under reservation of the provisions of article 54, proceed by the method of compulsory collection.

PAR. 3. For the purpose of satisfying the claims of the postal authorities, the imperial insurance office is authorized to use in the first place the cash assets of the association. If these do not prove sufficient, the office shall collect the necessary amount from the members of the association.

*Management of the property.*

ARTICLE 107.

PARAGRAPH 1. The income and expenditures of the accident associations shall be determined and recorded apart from all receipts and expenditures foreign to the purpose of the association, and the same rule shall be observed with regard to its funds.

PAR. 2. The imperial insurance office shall make the necessary provisions for the safekeeping of securities.

ARTICLE 108.

PARAGRAPH 1. The assets of the accident associations shall be invested in the manner prescribed by articles 1806 to 1808 of the Civil Code.

PAR. 2. They may also be invested in securities in which the laws of the states permit the investment of trust funds and also in such mortgages, payable to bearer, of German joint stock mortgage banks as are rated by the imperial bank in the first class.

ARTICLE 109.

PARAGRAPH 1. The central state authorities of that state in whose territory the accident association has its seat may also approve the investment of accident association funds in loans to communes and other communal organizations; they may also order that in the investment of the association funds, certain classes of interest bearing securities may be acquired, only up to a certain amount to be specifically defined. If the district of the association includes regions or parts of regions of several states, the approval of the central authorities of these states is required; if they cannot arrive at an agreement the approval of the federal council is required.

PAR. 2. The central state authorities of the state in whose territory the accident association has its seat may—subject to an appeal—provide that temporarily available cash funds may be provisionally invested in another way than that designated in article 108.

ARTICLE 110.

The accident associations may, with the approval of the imperial insurance office, invest a part of their funds in a way other than that prescribed by article 108 and article 109, and especially in land. If an association wishes to invest more than one-fourth of its funds in this way, it must also obtain the approval of the central state authorities, if it is subject to the control of a state insurance office; otherwise it must obtain the approval of the federal council. Such an investment shall, however, be made only in securities or for administrative purposes, to avoid property loss to the association or to institutions which exist, exclusively or mainly, for the benefit of the population subject to the insurance. An association may not invest more than half of its property in this manner.

ARTICLE 111.

PARAGRAPH 1. At the close of each year, the imperial insurance office shall make a report to the Reichstag of all the financial operations for that year.

PAR. 2. The fiscal year begins on January 1 and ends on December 31.

V. PREVENTION OF ACCIDENTS—INSPECTION OF ESTABLISHMENTS.

*Regulations for the prevention of accidents.*

ARTICLE 112.

PARAGRAPH 1. The associations are authorized and may be required by the inspectors to issue regulations—

1. For arrangements to be made and orders to be issued by the members for the prevention of accidents in their establishments, under threat of punishment for



failure to comply, by fine of not more than 1000 M. [\$238], or by the listing of his establishment in a higher risk class, or if it is already in the highest class, by the imposition of surtaxes to his contribution, to not more than twice the amount of the contribution.

The members shall be allowed sufficient time within which to make the required provisions.

2. For rules of conduct to be observed by the insured persons in the establishments in order to prevent accidents, under threat of a penalty of not more than 6 M. [\$1. 43] for violations.

PAR. 2. The associations are also authorized to issue such regulations for particular districts or particular branches of industry or kinds of establishments.

PAR. 3. The regulations for the prevention of accidents shall specify the manner in which insured persons are to be notified of these regulations.

#### ARTICLE 113.

PARAGRAPH 1. The regulations to be issued shall, before adoption, be submitted to the imperial insurance office, and if the association is divided into sections, to the board of directors of those sections to which the provisions apply for their opinion.

PAR. 2. The boards of directors of the associations shall invite representatives of the workmen to cooperate with them in the consideration and adoption of these regulations as well as for the expression of opinion on the regulations required by article 120e, par. 2, of the Industrial Code; the number of these representatives shall be equal to that of the directors participating, and they shall have full voting power.

PAR. 3. The imperial insurance office shall be invited to the session called by the board of directors of the association for the consideration of the regulations to be issued by the association.

PAR. 4. If the regulations to be adopted by the association or those required by article 120e, par. 2, of the Industrial Code are to apply only to the territorial limits of individual sections, then representatives of the workmen must be invited by the boards of directors of these sections to participate in their discussion, according to par. 2.

PAR. 5. Together with the invitation to this session for the discussion, consideration and adoption of these regulations, there shall be sent to the representatives of the workmen, a draft of the rules which are to be submitted to them for an opinion or for their consideration and adoption.

#### ARTICLE 114.

PARAGRAPH 1. The representatives of the workmen shall be chosen by the committees of the insurance institutions for districts which are included in the territorial limits of the accident association or its section. But only those members of the committees may be chosen who hold their memberships in the committee as representatives of the insured persons.

PAR. 2. Any male German adult who is insured under this law and is employed in the establishment of a member of an accident association for which the regulations for prevention of accidents are to be issued is eligible as a representative. No one may be chosen who is ineligible for jury duty (article 32, the law on the constitution of courts).

PAR. 3. The election is for 5 years according to election rules to be issued by the imperial insurance office; the first period ends on January 1, 1906. For every representative, a first and second substitute shall be chosen, who shall take his place in case he is prevented from attending, and who shall, in the case of his retirement, assume, in the order of election, his position for the remainder of the term. The election shall be conducted by an agent of the imperial insurance office. Disputes concerning the election shall be decided by the imperial insurance office. The provisions of article 47 are to be applied.

PAR. 4. The representatives of the workmen are compensated for their loss of wages and their traveling expenses according to definite rates to be determined by the association. The amount of compensation shall be determined by the chairman of the board of directors.

#### ARTICLE 115.

PARAGRAPH 1. Regulations for the prevention of accidents require the approval of the imperial insurance office.

PAR. 2. The imperial insurance office may order that before its approval is given, representatives of the workmen shall be invited by the boards of directors of the sections to give their opinions concerning the provisions, or parts of them, if this has not already been done according to article 113, paragraph 4.



PAR. 3. If the decisions arrived at by the board of directors and the representatives of the workmen have been amended by decision of the general meeting of the accident association, article 37 (10), the imperial insurance office shall determine whether the regulations before receiving their approval shall again be submitted for consideration and adoption by the board of directors and the representatives of the workmen. If the imperial insurance office makes the amendment of the regulations adopted a condition of its approval it shall at the same time specify whether the representatives of the workmen shall be invited to cooperate in the consideration and adoption of the required amendments (art. 113, par. 2).

PAR. 4. To the application for approval there shall be appended the minutes of the proceedings of the boards of directors, including the vote of the representatives of the workmen, and also the expressions of approval of the boards of directors of those sections to which the provisions are to apply. Before approval is given a hearing shall be accorded to the central state authorities of those states in whose territory the regulations shall apply.

PAR. 5. The approved regulations shall be communicated by the board of directors of the association to the higher administrative authorities of the districts to which they apply.

#### ARTICLE 116.

The determination of the fines provided for in article 112, paragraph 1 (1), and the listing of the establishment in a higher risk class, and also the power of assessing increased contributions, are intrusted to the board of directors of the association, and the determination of the fines provided for by article 112, paragraph 1 (2), to the board of directors of the establishment (factory) sick fund, or the building trades sick fund, or, if no such fund has been instituted for the establishment, by the local police authorities. Against the order for any of these fines an appeal may be made within two weeks. The appeal shall be decided in the case of an order of the board of directors of an association by the imperial insurance office, otherwise by the officials having supervisory authority over the sick fund or over the local police authorities.

#### ARTICLE 117.

PARAGRAPH 1. Regulations for the prevention of accidents made by the state authorities for certain branches of industry or kinds of establishments shall, unless there is danger in delay, first be communicated to the boards of directors of the associations or sections concerned for their discussion, according to article 115, paragraph 4. In this connection article 113, paragraph 2, and article 114 are also applicable.

PAR. 2. The police authorities are required to inform the association to which the establishment in question belongs of regulations made for the prevention of accidents in accordance with article 120d, paragraph 1, of the Industrial Code.

#### ARTICLE 118.

PARAGRAPH 1. Articles 113, 117, and 132 shall not apply to those regulations for the prevention of accidents which deal with safety in the operation of railroads.

#### *Inspection of establishments.*

#### ARTICLE 119.

PARAGRAPH 1. Associations shall be required to attend to the enforcement of the regulations for the prevention of accidents, according to article 112. They are authorized, through technical inspectors, to report on the extent to which the regulations made for the prevention of accidents are complied with, and to inform themselves of such arrangements within the establishments which have a bearing on their qualifications for membership in the association, or for their place in the scale of risks. For the purpose of testing the accuracy of the declarations concerning workmen and wages which are turned in by employers in obedience to the provisions of the law or the constitution, they are further authorized to examine, through accountants, those books and lists from which may be ascertained the number of workmen and administrative officials employed, and the amount of salaries and wages earned.

PAR. 2. The duties of technical inspector and accountant may, with the approval of the imperial insurance office, be united in one person.

**PAR. 3.** Employers belonging to an association shall be required to give the accredited technical inspector of the association concerned access, on demand, to their places of business during business hours, and to give the accountant an opportunity to examine, on the spot, the books and lists above designated. On application from the technical inspector or the accountant, they may be forced by the lower administrative officials, by means of fines not to exceed 300 M. [\$71.40], to comply with these provisions under reservation of the provisions of article 120.

#### ARTICLE 120.

If the employer fears that the inspection of his business by the technical inspector of the association may result in the disclosure of a trade secret, or in injury to his business interests, he may claim the privilege of having the inspection conducted by other experts. In this case he shall make the necessary communication to the board of directors as soon as he learns the name of the technical inspector, and shall designate several suitable persons who are, at his expense, prepared to make the required inspection of the business and to give the association the information concerning the arrangements of his business which is needed for the purposes of the association. In the absence of an agreement between the employer and the board of directors the latter shall call upon the imperial insurance office for a decision.

#### ARTICLE 121.

The members of the boards of directors of the accident associations and their technical inspectors and accountants (articles 119 and 120), and the experts appointed according to article 120, shall not disclose any information concerning the matters which come to their knowledge during their inspection and control of the establishments and shall refrain from copying any arrangement or method of operation within the establishment which are kept secret by the owners but which come to their knowledge, provided that these are trade secrets. The technical inspectors and accountants of the association and the experts shall be sworn by the lower administrative authorities of their places of residence to comply with this requirement.

#### ARTICLE 122.

**PARAGRAPH 1.** The names and residences of the technical inspectors and accountants shall be reported by the boards of directors of the associations to the higher administrative authorities of the district over which their activity extends.

**PAR. 2.** The associations shall be required to report to the imperial insurance office concerning the work of the technical inspectors and its results and to give information on request to the state inspectors appointed in accordance with article 139-b of the Industrial Code.

#### ARTICLE 123.

**PARAGRAPH 1.** If in the course of his inspection, the technical inspector of the association learns of orders which the state inspector has given for the prevention of accidents he shall issue no directions conflicting with them. If, however, such directions seem to him unnecessary, or if he thinks that an order of a state inspector conflicts with an accident-prevention regulation made by the association, he shall so report to the board of directors of the association, which may appeal to the officials in authority over the state inspector.

**PAR. 2.** If the state inspector regards orders made by the technical inspector of the accident association as undesirable, or as conflicting with regulations already issued, he shall communicate the fact to the board of directors of the accident association. If this board regards the claim of the state inspector as unfounded, it may appeal to the officials in authority over him.

**PAR. 3.** The board of directors of the association shall report to the imperial insurance office all acts done under authority of paragraphs 1 and 2.

#### ARTICLE 124.

**PARAGRAPH 1.** The expenses of the inspection and control of establishments constitute part of the administrative expenses of the association.

**PAR. 2.** If an employer has caused such expenditures by his failure to perform the obligations imposed on him, the board of directors may assess these expenses upon

him, in so far as they consisted in a cash outlay, and in addition they may also fine him not more than 100 M. [\$23.80].

PAR. 3. Against the imposition of these expenses and fines appeal may be made within two weeks to the imperial insurance office. The amounts are collected in the same way as communal taxes.

## VI. SUPERVISION OF ACCIDENT ASSOCIATIONS.

### ARTICLE 125.

PARAGRAPH 1. As far as the enforcement of the provisions of this law is concerned, the associations shall be subject to supervision by the imperial insurance office. Such supervision includes the enforcement both of the provisions of the law and the constitution.

PAR. 2. The imperial insurance office is authorized to examine the books and accounts of the associations at any time.

PAR. 3. On demand of the imperial insurance office, the directors, agents, and the employees of the associations are required to present for inspection to the agents of the imperial insurance office, or to the office itself, their books and records, and their correspondence having a bearing on the contents of the books and also any documents which may have a bearing on the determination of the compensation and of the yearly contributions. Their compliance with these provisions may be enforced by means of fines not to exceed 1,000 M. [\$238].

PAR. 4. The medical institutions established or maintained by the accident associations are also subject to the supervision of the imperial insurance office. The latter may call upon representatives of the accident associations and of the workmen to take part in the investigations made for the purposes of inspection.

### ARTICLE 126.

The imperial insurance office, without prejudice to the rights of third parties, decides disputes concerning the rights and obligations of association officers, the interpretation of the constitution, and the validity of elections. The office may enforce the compliance of the association officers with the provisions of the law and constitution by means of fines not to exceed 1,000 M. [\$238].

### ARTICLE 127.

PARAGRAPH 1. If a state insurance office is established for the territory of a State, the accident associations which include only such establishments as are located in the territory of that State are subject to the supervision of this insurance office. In affairs of these associations, the authority conferred upon the imperial insurance office by articles 23 and 26 of the law concerning the amendment of the accident insurance law, and articles 31, 34, 39, 44, 46 to 49, 51, 53, 54, 58, 59, 61, 62, 73, 80 to 85, 95, 102, 105 to 107, 110, 112 to 116, 119, 120, 123 to 126, and 128 of this law is transferred to such state insurance office.

PAR. 2. If, however, in the cases referred to in articles 51, 53, 58, 61, 73, 82, 83, and 85 an accident association subject to the supervision of another state insurance office, or of the imperial insurance office, or an executive authority of another State is concerned, the imperial insurance office decides the case. In such cases the state insurance office shall turn over the documents to the imperial insurance office for the purpose of framing a decision.

PAR. 3. If the imperial insurance office has rejected a claim to compensation on the ground that not the bearer of the insurance to which the claim is made but another one is liable to pay the compensation, the claim against the latter may not be refused on the ground that the former is liable for the compensation.

PAR. 4. If the presumptions of article 54 are applicable to one of the accident associations mentioned in paragraph 1 and subject to the supervision of a state insurance office, the legal claims and obligations are transferred to that State.

## VII. IMPERIAL AND STATE ESTABLISHMENTS.

### ARTICLE 128.

PARAGRAPH 1. For the administrations of the post-office, telegraph, navy and army, and for the railroads administered by the Empire or by a State on its own account, including all the building operations carried on by these institutions on

their own account, the Empire or State, on account of which the undertaking is managed, takes the place of the accident association.

PAR. 2. The same holds good of dredging, internal navigation, rafting, and flat-boat and ferry enterprises administered by the Empire or a state on its own account, unless the imperial chancellor or central state authorities have duly declared, according to article 2 of the law of May 28, 1885 (Reichs-Gesetzblatt, p. 159) that these enterprises shall belong to the accident associations established for them.

PAR. 3. When, hereafter, the Empire or a state takes the place of the accident association, the authority and obligations of the general meeting and of the board of directors of the association shall be assumed by executive officers, who shall be designated for the army by the highest army administrative authority of the contingent concerned, for the imperial administration, by the imperial chancellor, and for the state administrations by the central state authorities. The imperial insurance office shall be notified what officers have been designated as executive officers. The executive officers appointed under article 2 of the law of May 28, 1885 (Reichs-Gesetzblatt, p. 159), remain in office.

#### ARTICLE 129.

When the Empire or a state takes the place of an accident association, articles 29 to 52, 54 to 62, 74, 99 to 105, 106 (paragraphs 2 and 3), 107 to 110, 112 to 117, 119 to 126, 134, and 146 to 151 shall not apply.

#### ARTICLE 130.

Obligatory insurance may be extended by executive regulations to those administrative officials whose yearly salary exceeds 3,000 M. [\$714] (article 5, paragraph 1 (c) ), if these officials are not excluded from the application of this law by article 7.

#### ARTICLE 131.

The amount of compensation (article 69 et seq.) is determined by officials to be designated by the executive regulations.

#### ARTICLE 132.

Regulations made by the executive authorities concerning the rules of conduct to be followed in establishments by the persons insured for the purpose of preventing accidents, shall, if they prescribe punishments, be submitted, for the consideration and expression of opinion, to at least three representatives of the workmen, before they are adopted. Such consideration shall take place under the direction of an agent of the executive officers. This agent shall not be a person in direct authority over the representatives of the workmen.

#### ARTICLE 133.

The executive regulations necessary for the enforcement of the provisions of articles 128 to 132, shall be issued for the army administrations by the highest military administrative authority of the contingent concerned, for the other imperial administrations, by the imperial chancellor, and for the state administrations by the central state authority.

### VIII. FINAL PROVISIONS AND PENALTIES.

#### *Mine owners' accident associations.*

#### ARTICLE 134.

PARAGRAPH 1. Heads of establishments, who belong to federations of miners' provident funds, established by state laws, may, on application of the boards of directors of the latter, be united by the federal council, with the mine owners' accident associations.

PAR. 2. The mine owners' accident associations may prescribe in their constitution:

(a) that the amount of compensation to be borne by the sections in the districts in which the accidents have occurred may be even more than 75 per cent of the total amount;

(b) that the functions of the workmen's representatives designated in articles 113 to 115 shall be transferred to the elders of the miners' provident funds;

(c) that the elders of the miners' provident funds shall be voting members of the board of directors of the mine owners' accident association, or, if the latter is divided into sections, of the board of directors of these sections;

(d) that the payment of compensation shall be made through the miners' provident funds (article 97).

*Liability of heads and officials of establishments.*

ARTICLE 135.

PARAGRAPH 1. The persons insured under this law and their survivors designated in articles 16 to 19, even if they have no claim to pension, may claim indemnity for damages resulting from an accident against the employer, his fully authorized agents, or his representative, or against the overseer of the establishment or of the workmen, only when it has been determined by penal sentence that the person against whom the claim has been made has intentionally caused the accident.

PAR. 2. In such case the claim shall be limited to that amount by which the compensation due the persons under other existing law exceeds that to which they have a claim under the present law.

PAR. 3. In considering such a claim, the regular court shall be bound by the decision rendered according to the provisions of this law as to whether an accident has occurred which gives a claim to compensation under the accident insurance system, and to what extent such compensation is to be rendered.

ARTICLE 136.

PARAGRAPH 1. Employers, agents or representatives, or overseers of establishments or of workmen, who have been proved by penal sentence to have caused the accident, either intentionally or through negligence with omission of that degree of caution which is especially required of them by virtue of their office, calling, or occupation, are liable for all the expenses which shall have been incurred by communes, poor relief organizations, sick funds, or other funds (article 25, paragraph 1) on account of the accident and in compliance with the provisions of this law and of the sick insurance law. The same persons are liable to the association for its outlay, even without the specified proof by penal sentence. If the accident has been caused by negligence with omission of that degree of caution which is especially required of the persons in question by virtue of their office, calling, or occupation, the general meeting of the accident association is authorized to refrain from prosecuting its claim. The constitution may transfer this authority to the board of directors.

PAR. 2. The same liability attaches to a joint-stock company, guild, or registered association for accidents caused by a member of its board of directors and to a commercial firm, guild, or registered association for accidents caused by one of the liquidators.

PAR. 3. Instead of a pension its capital value may be demanded in these cases.

ARTICLE 137.

PARAGRAPH 1. If the board of directors wishes to assert its claim according to article 136, paragraph 1 (3), it shall send a written notice to this effect to the person who is to pay the indemnity. The latter may appeal against the decision to the general meeting of the association.

PAR. 2. The action may not be brought before the expiration of a month after the sending of this notice and only then if, within this period, no appeal has been made from the decision by the person who must pay the indemnity. If such an appeal is made, the decision of the general meeting of the association is to be awaited.

ARTICLE 138.

PARAGRAPH 1. The claim (art. 136, par. 1 (1)), is outlawed in 18 months from the day on which the penal sentence went into force; in other cases, in two years after the accident. The appeal to the general meeting of the association (art. 137, par. 1) acts as a stay to the time limitation.

PAR. 2. The provisions of article 135, paragraph 3, are applicable.

ARTICLE 139.

The claims designated in articles 135 and 136 may be made even without the prescribed proof by penal sentence, if the lack of this proof is due to the death of the person concerned or his absence or to any other cause resident in his person.



*Liability of third parties.*

## ARTICLE 140.

The liability of third parties not designated in articles 135 and 136 is determined by other legal provisions. Such legal claims to indemnity for damages on account of an accident as persons entitled to compensation under this law may have against third parties are transferred to the accident association to the extent of its obligation under this law.

*Prohibition of agreements limiting the application of this law.*

## ARTICLE 141.

PARAGRAPH 1. Accident associations as well as employers and their representatives are prohibited from resorting to agreements or shop rules for the purpose of wholly or partly preventing, to the disadvantage of the persons insured, the application of the provisions of this law and from interfering with the acceptance or exercise by insured persons of honorary offices to which they are chosen according to the provisions of this law. Agreements made in violation of this prohibition are null and void.

PAR. 2. Employers or their representatives who violate the preceding provision shall be subject to fines of not more than 300 M. [\$71.40] or by imprisonment, unless they are subject to more severe penalty according to other legal provisions.

PAR. 3. The same penalty shall be imposed upon employers or their representatives who shall deduct accident insurance contributions from the wages of insured persons or knowingly cause such deductions to be made.

*Interference with the exercise of duties by workmen.*

## ARTICLE 142.

Representatives of the workmen (articles 113 to 115) and members of the courts of arbitration chosen from among insured persons (law concerning the amendment to the accident insurance law, articles 4, 5, and 7) whenever called upon to discharge their duties, shall inform the employer of the fact. The absence from their work for the time while they are prevented from working through the performance of these duties does not permit the employer to discharge them before the expiration of the time for which they were engaged.

*Previous insurance contracts.*

## ARTICLE 143.

If owners of establishments first subjected to insurance by the provisions of article 11, paragraph 1 (subsections 1, 2, 5, and 7), and of article 2, paragraph 2, or persons employed in these establishments have made contracts with insurance institutions for insurance against the results of the accidents designated in this law, before this law goes into effect, then the rights and obligations resulting from such contracts are transferred from the time when accident insurance has gone or goes into effect for the establishment in question, to the accident association to which the establishment belongs, if the holder of the policy makes application to the board of directors of the association to this effect. The payments to which the association thus becomes liable are met by assessments on the members (articles 29, 32 and 49).

*Legal aid.*

## ARTICLE 144.

PARAGRAPH 1. The public authorities are required to comply with the requests made of them in connection with the execution of the law by the imperial insurance office, the state insurance offices, the courts of arbitration, and other public authorities, or by the boards of directors of the associations and sections, and also voluntarily to supply the officials of the accident associations with whatever information may be of importance to them in conducting the affairs of the association. The officials of the accident associations are under the same obligation to one another and to the authorities and also to the officials of the insurance institutions for invalidity insurance and of the sick funds. The authorities are under special obligation to carry out legal decisions and judgments.



PAR. 2. The expenses incurred in the performance of these obligations shall be paid by the associations as part of their own administration expenses (article 29) if they consist of per diem allowances and traveling expenses, and of fees for witnesses and experts or other cash outlays.

*Exemption from fees and stamp duties.*

ARTICLE 145.

All proceedings, whether in courts of arbitration or in other courts, not necessary to the establishment and development of the legal relations between the accident associations on the one hand and the insured persons on the other, shall be free of all fees and stamp duties. The same rule shall apply to the certificates of identification referred to in article 42, paragraph 3, and to the powers of attorney issued by private individuals to fellow association members who are to represent them.

*Penal provisions.*

ARTICLE 146.

The boards of directors of associations shall be authorized to impose fines of not more than 500 M. [\$119] on heads of establishments:

1. If the declarations of workmen as to wages turned in by them, according to the provisions of the law and constitution, or the declarations made to the competent agents of the associations, in connection with the assignment of the establishment to a place in the classification of risks, contain statements the inaccuracy of which was known to them or might have been avoided by reasonable care.

2. If in the announcements made by them, in accordance with article 56, a later day was given as the time the establishment was opened, or when it became subject to insurance, than the day on which the opening really took place or the obligation of insurance began, provided that the inaccuracy of the statement was known to them or might have been avoided with reasonable care.

ARTICLE 147.

PARAGRAPH 1. Heads of establishments who have not promptly discharged the obligation to declare their establishments and changes in the latter (articles 35, 56, 61 and 62), to keep and preserve the lists of wages (wage books), and to turn in declarations of workmen and wages (articles 74 and 99), or to fulfill the provisions of the constitution concerning the closing of an establishment and the changing of owners (article 37, (7)), may be fined not to exceed 300 M. [\$71.40] by the board of directors of the association.

PAR. 2. If the report of an accident is not promptly made in accordance with article 63, the same penalty may be imposed on the person whose duty it was to make the report.

ARTICLE 148.

The penalty provisions of articles 146 and 147 shall also apply to legal representatives of employers civilly incompetent, and to the members of the board of directors of a joint stock company, guild, or registered association and also against the liquidators of a firm, guild, or registered association.

ARTICLE 149.

Against the imposition of penalties by the board of directors of the accident association, appeal may be made within two weeks after notice is given. The appeal shall be decided, under reservation of the provisions of articles 116 and 124 (paragraph 3), by such officials as are designated by the competent central state authorities of the place where the establishment is located.

ARTICLE 150.

PARAGRAPH 1. The members of the boards of directors of the associations, their technical inspectors and accountants (articles 119 and 120), and the experts appointed according to article 120, and also the members of the courts of arbitration (article 9 of the law concerning the amendment of the accident insurance laws) who disclose, without authority, business secrets learned while performing their official duties, shall

be punished by fines of not more than 1,500 M. [\$357] or by imprisonment of not more than three months.

PAR. 2. Prosecution under this article shall be instituted only on application of the employer.

#### ARTICLE 151.

PARAGRAPH 1. If the persons designated in article 150 intentionally disclose, to the disadvantage of the employer, business secrets learned while performing their official duties or who copy any arrangement or method of operation within the establishment, kept secret and by them learned while performing their official duties, provided that these are trade secrets, they shall be punished by imprisonment, in addition to which they may be sentenced to the loss of their civil rights.

PAR. 2. If they commit these acts for their own material advantage, or that of another person, they may in addition to the imprisonment, be fined not more than 3,000 M. [\$714].

*Competent state authorities.*

#### ARTICLE 152.

PARAGRAPH 1. The central authorities of the federated states shall decide by what state or communal authorities shall be assumed the executive duties assigned in this law to the higher administrative authorities, the lower administrative authorities or the local police authorities.

PAR. 2. The orders issued in accordance with this provision shall be published in the Reichsanzeiger.

PAR. 3. The higher administrative authorities may designate particular communal authorities as lower administrative authorities in the sense of article 70 and intrust them with the duties there prescribed.

*The execution of penal provisions.*

#### ARTICLE 153.

Fines which are imposed in accordance with this law, except such as are decreed by the courts, shall be collected in the same way as communal taxes.

#### ARTICLE 154.

PARAGRAPH 1. The fines designated in article 112, paragraph 1 (2), shall be paid to that sick fund to which the person required to pay them belonged at the time of committing the offense or, if he belongs to no sick fund, to the communal sickness insurance of the place where he is employed. The same rule shall apply to the fines which are imposed in accordance with the provisions of article 133.

PAR. 2. All other fines imposed in accordance with this law shall go to the funds of the accident association, unless they are otherwise assigned by the courts.

*Notices.*

#### ARTICLE 155.

PARAGRAPH 1. Notices specifying time limits may be sent by registered mail. For two years after their issuance the receipts of postal delivery shall establish the assumption that notice has been delivered within the time limit prescribed.

PAR. 2. Persons not residing in this country may be required by the authorities and association officials who send the notices to appoint some person with full authority to receive them.

PAR. 3. If the whereabouts of a person to whom a notice is to be sent has not been ascertained, or if the requirement made according to paragraph 2 is not complied with within the prescribed interval, notice may be given by posting it for one week at the place of business of the authorities giving the notice, or at the accident association offices.

### PRESENT FORM OF THE EMPLOYERS' LIABILITY ACT OF 1871.<sup>(a)</sup>

ARTICLE 1. When a person is killed or sustains bodily injuries through the operation of a railroad, the administration of the latter is responsible for the damages caused thereby, unless it can prove that the accident was caused by act of God (*vis major*), or through the fault of the person killed or injured.

<sup>a</sup> Reichs-Gesetzblatt, 1871, p. 207; 1896, p. 616.

**ART. 2.** Whoever conducts a mine, quarry, pit or factory is responsible for the damages arising whenever his duly authorized agent or representative, or person employed to conduct or supervise the establishment or the workmen, causes through his fault in carrying out the operations of the business, the death or the bodily injury of any person.

**ART. 3.** In case of death the indemnity is to consist of restitution of the expenses of medical treatment, as well as of the loss of property sustained by the deceased because his earning capacity was destroyed or diminished, or his needs were increased, during the period of his disability. The person liable for indemnity must also reimburse the expenses of burial to the one on whom rested the obligation of paying these expenses.

If at the time of the injury, the deceased stood in a relation to a third party by virtue of which he was or could have become, legally responsible for the maintenance of this party, and if as a result of the death, the said third party is deprived of his right to maintenance, then the person liable must provide indemnity to the third party in so far as the deceased would have been so obligated to provide maintenance during the probable duration of his life. The liability for indemnity is also incurred if at the time of the injury, the third party was conceived, but not yet born.

**ART. 3a.** In case of bodily injury, the indemnity (articles 1 and 2) is to consist of restitution of the expenses of medical treatment as well as of the loss of property which the injured person sustained because of the injury through the temporary or permanent loss or reduction of his earning power, or through the increase in his needs.

**ART. 4.** If the person killed or injured was insured against accident and if the employer participated in the payment of the premiums or other charges of such insurance in an insurance company, miners' provident fund, relief fund, sick fund or other fund, then the amounts received from such insurance are to be deducted from the compensation which the employer must furnish; provided, that the share of the premiums, etc., paid by the employer is not less than one-third of the total.

**ART. 5.** The employers designated in articles 1 and 2 are not permitted to make contracts (by means of shop regulations or special agreements) whereby the provisions contained in articles 1 to 3a are nullified or limited to their advantage.

Provisions of contracts in conflict with this regulation have no legal force.

**ART. 6.** (Article 6 was repealed by the law on procedure in civil cases of January 30, 1877. In its place are substituted articles 286 and 287 of the regulations on procedure in civil cases as published on May 20, 1898.)

**ART. 7.** The indemnity on account of loss or reduction of earning power and on account of the increased needs of the injured person, as well as the indemnity to be paid a third party in accordance with article 3, paragraph 2, is in the future to be paid in the form of a money pension.

The regulations of article 843, paragraphs 2 to 4, of the Civil Code, and of article 708 (6) of the rules on procedure in civil cases are here applicable. The same is true in regard to the money pension to be paid to the injured person under the regulations of article 850, paragraph 3, and to the money pension to be paid to third parties under the regulations of article 850, paragraph 1 (2), of the rules of procedure in civil cases.

If the judgment of the court requires an indemnity to be paid and the person liable is not required to furnish bond, the person awarded the pension may demand such bond if the financial condition of the person liable appreciably deteriorates; in case a bond has been required the injured person may also demand an increase in the bond under the same conditions.

**ART. 8.** The right to indemnity (articles 1 to 3a) expires in two years after the date of the accident; in the cases where a deceased person was responsible for the maintenance of a third party (article 3, paragraph 2) the right to indemnity expires in two years after the date of death. In other respects, the regulations of the Civil Code on limitations are applicable.

**ART. 9.** Except in the cases provided for in the present law, no change is made in the legal regulations according to which the proprietor of an establishment mentioned in articles 1 and 2, or another person is liable, especially in cases where he is at fault, for damages arising from death or bodily injury to a person, in the operation of the establishment.

**ART. 10.** The provisions of the law of June 12, 1869, regarding the creation of a supreme court for commercial cases, as well as the amendments thereto, are hereby extended to those civil controversies in which through a plea or counter plea, a claim is made on the basis of the present law or on the basis of the regulations of the several states as specified in article 9.

## GREAT BRITAIN.

### WORKMEN'S COMPENSATION ACT OF 1906.<sup>(a)</sup>

AN ACT to consolidate and amend the law with respect to compensation to workmen for injuries suffered in the course of their employment [21st December 1906].

*Be it enacted by \* \* \* Parliament assembled, and by the authority of the same, as follows:*

1.—(1) If in any employment personal injury by accident arising out of and in the course of the employment is caused to a workman, his employer shall, subject as hereinafter mentioned, be liable to pay compensation in accordance with the first schedule to this act.

(2) Provided that—

(a) The employer shall not be liable under this act in respect of any injury which does not disable the workman for a period of at least one week from earning full wages at the work at which he was employed:

(b) When the injury was caused by the personal negligence or willful act of the employer or of some person for whose act or default the employer is responsible, nothing in this act shall affect any civil liability of the employer, but in that case the workman may, at his option, either claim compensation under this act or take proceedings independently of this act; but the employer shall not be liable to pay compensation for injury to a workman by accident arising out of and in the course of the employment both independently of and also under this act, and shall not be liable to any proceedings independently of this act, except in case of such personal negligence or willful act as aforesaid:

(c) If it is proved that the injury to a workman is attributable to the serious and willful misconduct of that workman, any compensation claimed in respect of that injury shall, unless the injury results in death or serious and permanent disablement, be disallowed.

(3) If any question arises in any proceedings under this act as to the liability to pay compensation under this act (including any question as to whether the person injured is a workman to whom this act applies), or as to the amount or duration of compensation under this act, the question, if not settled by agreement, shall, subject to the provisions of the first schedule to this act, be settled by arbitration, in accordance with the second schedule to this act.

(4) If, within the time hereinafter in this act limited for taking proceedings, an action is brought to recover damages independently of this act for injury caused by any accident, and it is determined in such action that the injury is one for which the employer is not liable in such action, but that he would have been liable to pay compensation under the provisions of this act, the action shall be dismissed; but the court in which the action is tried shall, if the plaintiff so choose, proceed to assess such compensation, but may deduct from such compensation all or part of the costs which, in its judgment, have been caused by the plaintiff bringing the action instead of proceeding under this act. In any proceeding under this subsection, when the court assesses the compensation it shall give a certificate of the compensation it has awarded and the directions it has given as to the deduction for costs, and such certificate shall have the force and effect of an award under this act.

(5) Nothing in this act shall affect any proceeding for a fine under the enactments relating to mines, factories, or workshops, or the application of any such fine.

2.—(1) Proceedings for the recovery under this act of compensation for an injury shall not be maintainable unless notice of the accident has been given as soon as practicable after the happening thereof and before the workman has voluntarily left the employment in which he was injured, and unless the claim for compensation with respect to such accident has been made within six months from the occurrence

of the accident causing the injury, or, in case of death, within six months from the time of death:

Provided always that—

(a) the want of or any defect or inaccuracy in such notice shall not be a bar to the maintenance of such proceedings if it is found in the proceedings for settling the claim that the employer is not, or would not, if a notice or an amended notice were then given and the hearing postponed, be prejudiced in his defense by the want, defect, or inaccuracy, or that such want, defect, or inaccuracy was occasioned by mistake, absence from the United Kingdom, or other reasonable cause; and

(b) the failure to make a claim within the period above specified shall not be a bar to the maintenance of such proceedings if it is found that the failure was occasioned by mistake, absence from the United Kingdom, or other reasonable cause.

(2) Notice in respect of an injury under this act shall give the name and address of the person injured, and shall state in ordinary language the cause of the injury and the date at which the accident happened, and shall be served on the employer, or, if there is more than one employer, upon one of such employers.

(3) The notice may be served by delivering the same at, or sending it by post in a registered letter addressed to, the residence or place of business of the person on whom it is to be served.

(4) Where the employer is a body of persons, corporate or unincorporate, the notice may also be served by delivering the same at, or by sending it by post in a registered letter addressed to, the employer at the office, or, if there be more than one office, any one of the offices of such body.

3.—(1) If the registrar of friendly societies, after taking steps to ascertain the views of the employer and workmen, certifies that any scheme of compensation, benefit, or insurance for the workmen of an employer in any employment, whether or not such scheme includes other employers and their workmen, provides scales of compensation not less favorable to the workmen and their dependents than the corresponding scales contained in this act, and that, where the scheme provides for contributions by the workmen, the scheme confers benefits at least equivalent to those contributions, in addition to the benefits to which the workmen would have been entitled under this act, and that a majority (to be ascertained by ballot) of the workmen to whom the scheme is applicable are in favor of such scheme, the employer may, whilst the certificate is in force, contract with any of his workmen that the provisions of the scheme shall be substituted for the provisions of this act, and thereupon the employer shall be liable only in accordance with the scheme, but, save as aforesaid, this act shall apply notwithstanding any contract to the contrary made after the commencement of this act.

(2) The registrar may give a certificate to expire at the end of a limited period of not less than five years, and may from time to time renew with or without modifications such a certificate to expire at the end of the period for which it is renewed.

(3) No scheme shall be so certified which contains an obligation upon the workmen to join the scheme as a condition of their hiring, or which does not contain provisions enabling a workman to withdraw from the scheme.

(4) If complaint is made to the registrar of friendly societies by or on behalf of the workmen of any employer that the benefits conferred by any scheme no longer conform to the conditions stated in subsection (1) of this section, or that the provisions of such scheme are being violated, or that the scheme is not being fairly administered, or that satisfactory reasons exist for revoking the certificate, the registrar shall examine into the complaint, and, if satisfied that good cause exist for such complaint, shall, unless the cause of complaint is removed, revoke the certificate.

(5) When a certificate is revoked or expires, any moneys or securities held for the purpose of the scheme shall, after due provision has been made to discharge the liabilities already accrued, be distributed as may be arranged between the employer and workmen, or as may be determined by the registrar of friendly societies in the event of a difference of opinion.

(6) Whenever a scheme has been certified as aforesaid, it shall be the duty of the employer to answer all such inquiries and to furnish all such accounts in regard to the scheme as may be made or required by the registrar of friendly societies.

(7) The chief registrar of friendly societies shall include in his annual report the particulars of the proceedings of the registrar under this act.

(8) The chief registrar of friendly societies may make regulations for the purpose of carrying this section into effect.

4.—(1) Where any person (in this section referred to as the principal), in the course of or for the purposes of his trade or business, contracts with any other person (in this section referred to as the contractor) for the execution by or under the contractor of the whole or any part of any work undertaken by the principal, the principal shall be



liable to pay to any workman employed in the execution of the work any compensation under this act which he would have been liable to pay if that workman had been immediately employed by him; and where compensation is claimed from or proceedings are taken against the principal, then, in the application of this act, references to the principal shall be substituted for references to the employer, except that the amount of compensation shall be calculated with reference to the earnings of the workman under the employer by whom he is immediately employed:

Provided that, where the contract relates to threshing, plowing, or other agricultural work, and the contractor provides and uses machinery driven by mechanical power for the purpose of such work, he and he alone shall be liable under this act to pay compensation to any workman employed by him on such work.

(2) Where the principal is liable to pay compensation under this section, he shall be entitled to be indemnified by any person who would have been liable to pay compensation to the workman independently of this section, and all questions as to the right to and amount of any such indemnity shall in default of agreement be settled by arbitration under this act.

(3) Nothing in this section shall be construed as preventing a workman recovering compensation under this act from the contractor instead of the principal.

(4) This section shall not apply in any case where the accident occurred elsewhere than on, or in, or about premises on which the principal has undertaken to execute the work or which are otherwise under his control or management.

5.—(1) Where any employer has entered into a contract with any insurers in respect of any liability under this act to any workman, then, in the event of the employer becoming bankrupt, or making a composition or arrangement with his creditors, or if the employer is a company in the event of the company having commenced to be wound up, the rights of the employer against the insurers as respects that liability shall, notwithstanding anything in the enactments relating to bankruptcy and the winding up of companies, be transferred to and vest in the workman, and upon any such transfer the insurers shall have the same rights and remedies and be subject to the same liabilities as if they were the employer, so however that the insurers shall not be under any greater liability to the workman than they would have been under to the employer.

(2) If the liability of the insurers to the workman is less than the liability of the employer to the workman, the workman may prove for the balance in the bankruptcy or liquidation.

(3) There shall be included among the debts which under section one of the Preferential Payments in Bankruptcy Act, 1888, and section four of the Preferential Payments in Bankruptcy (Ireland) Act, 1889, are in the distribution of the property of a bankrupt and in the distribution of the assets of a company being wound up to be paid in priority to all other debts, the amount, not exceeding in any individual case one hundred pounds, due in respect of any compensation the liability wherefor accrued before the date of the receiving order or the date of the commencement of the winding up, and those acts and the Preferential Payments in Bankruptcy Amendment Act, 1897, shall have effect accordingly. Where the compensation is a weekly payment, the amount due in respect thereof shall, for the purposes of this provision, be taken to be the amount of the lump sum for which the weekly payment could, if redeemable, be redeemed if the employer made an application for that purpose under the first schedule to this act.

(4) In the case of the winding up of a company within the meaning of the Stannaries Act, 1887, such an amount as aforesaid, if the compensation is payable to a miner or the dependents of a miner, shall have the like priority as is conferred on wages of miners by section nine of that act, and that section shall have effect accordingly.

(5) The provisions of this section with respect to preferences and priorities shall not apply where the bankrupt or the company being wound up has entered into such a contract with insurers as aforesaid.

(6) This section shall not apply where a company is wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company.

6. Where the injury for which compensation is payable under this act was caused under circumstances creating a legal liability in some person other than the employer to pay damages in respect thereof—

(1) The workman may take proceedings both against that person to recover damages and against any person liable to pay compensation under this act for such compensation, but shall not be entitled to recover both damages and compensation; and

(2) If the workman has recovered compensation under this act, the person by whom the compensation was paid, and any person who has been called on to pay an indemnity under the section of this act relating to subcontracting, shall be entitled to be indemnified by the person so liable to pay damages as aforesaid, and all questions as



to the right to and amount of any such indemnity shall, in default of agreement, be settled by action, or, by consent of the parties, by arbitration under this act.

7.—(1) This act shall apply to masters, seamen, and apprentices to the sea service and apprentices in the sea-fishing service, provided that such persons are workmen within the meaning of this act, and are members of the crew of any ship registered in the United Kingdom, or of any other British ship or vessel of which the owner, or (if there is more than one owner) the managing owner, or manager resides or has his principal place of business in the United Kingdom, subject to the following modifications:

(a) The notice of accident and the claim for compensation may, except where the person injured is the master, be served on the master of the ship as if he were the employer, but where the accident happened and the incapacity commenced on board the ship it shall not be necessary to give any notice of the accident:

(b) In the case of the death of the master, seaman, or apprentice, the claim for compensation shall be made within six months after news of the death has been received by the claimant:

(c) Where an injured master, seaman, or apprentice is discharged or left behind in a British possession or in a foreign country, depositions respecting the circumstances and nature of the injury may be taken by any judge or magistrate in the British possession, and by any British consular officer in the foreign country, and if so taken shall be transmitted by the person by whom they are taken to the Board of Trade, and such deposition or certified copies thereof shall in any proceedings for enforcing the claim be admissible in evidence as provided by sections six hundred and ninety-one and six hundred and ninety-five of the Merchant Shipping Act, 1894, and those sections shall apply accordingly:

(d) In the case of the death of a master, seaman, or apprentice, leaving no dependents, no compensation shall be payable, if the owner of the ship is under the Merchant Shipping Act, 1894, liable to pay the expenses of burial:

(e) The weekly payment shall not be payable in respect of the period during which the owner of the ship is, under the Merchant Shipping Act, 1894, as amended by any subsequent enactment, or otherwise, liable to defray the expenses of maintenance of the injured master, seaman, or apprentice:

(f) Any sum payable by way of compensation by the owner of a ship under this act shall be paid in full notwithstanding anything in section five hundred and three of the Merchant Shipping Act, 1894 (which relates to the limitation of a shipowner's liability in certain cases of loss of life, injury, or damage), but the limitation on the owner's liability imposed by that section shall apply to the amount recoverable by way of indemnity under the section of this act relating to remedies both against employer and stranger as if the indemnity were damages for loss of life or personal injury:

(g) Subsections (2) and (3) of section one hundred and seventy-four of the Merchant Shipping Act, 1894 (which relates to the recovery of wages of seamen lost with their ship), shall apply as respects proceedings for the recovery of compensation by dependents of masters, seamen, and apprentices lost with their ship as they apply with respect to proceedings for the recovery of wages due to seamen and apprentices; and proceedings for the recovery of compensation shall in such a case be maintainable if the claim is made within eighteen months of the date at which the ship is deemed to have been lost with all hands:

(2) This act shall not apply to such members of the crew of a fishing vessel as are remunerated by shares in the profits or the gross earnings of the working of such vessel.

(3) This section shall extend to pilots to whom Part X. of the Merchant Shipping Act, 1894, applies, as if a pilot when employed on any such ship as aforesaid were a seaman and a member of the crew.

8.—(1) Where—

(i) the certifying surgeon appointed under the Factory and Workshop Act, 1901, for the district in which a workman is employed certifies that the workman is suffering from a disease mentioned in the third schedule to this act and is thereby disabled from earning full wages at the work at which he was employed; or

(ii) a workman is, in pursuance of any special rules or regulations made under the Factory and Workshop Act, 1901, suspended from his usual employment on account of having contracted any such disease; or

(iii) the death of a workman is caused by any such disease; and the disease is due to the nature of any employment in which the workman was employed at any time within the twelve months previous to the date of the disablement or suspension, whether under one or more employers, he or his dependents shall be entitled to compensation under this act as if the disease or such suspension as aforesaid were a personal injury by accident arising out of and in the course of that employment, subject to the following modifications:—

(a) The disablement or suspension shall be treated as the happening of the accident;  
 (b) If it is proved that the workman has at the time of entering the employment willfully and falsely represented himself in writing as not having previously suffered from the disease, compensation shall not be payable;

(c) The compensation shall be recoverable from the employer who last employed the workman during the said twelve months in the employment to the nature of which the disease was due:

Provided that—

(i) the workman or his dependents if so required shall furnish that employer with such information as to the names and addresses of all other employers who employed him in the employment during the said twelve months as he or they may possess, and, if such information is not furnished, or is not sufficient to enable that employer to take proceedings under the next following proviso, that employer upon proving that the disease was not contracted whilst the workman was in his employment shall not be liable to pay compensation; and

(ii) if that employer alleges that the disease was in fact contracted whilst the workman was in the employment of some other employer, and not whilst in his employment, he may join such other employer as a party to the arbitration, and if the allegation is proved that other employer shall be the employer from whom the compensation is to be recoverable; and

(iii) if the disease is of such a nature as to be contracted by a gradual process, any other employers who during the said twelve months employed the workman in the employment to the nature of which the disease was due shall be liable to make to the employer from whom compensation is recoverable such contributions as, in default of agreement, may be determined in the arbitration under this act for settling the amount of the compensation;

(d) The amount of the compensation shall be calculated with reference to the earnings of the workman under the employer from whom the compensation is recoverable;

(e) The employer to whom notice of the death, disablement, or suspension is to be given shall be the employer who last employed the workman during the said twelve months in the employment to the nature of which the disease was due, and the notice may be given notwithstanding that the workman has voluntarily left his employment.

(f) If an employer or a workman is aggrieved by the action of a certifying or other surgeon in giving or refusing to give a certificate of disablement or in suspending or refusing to suspend a workman for the purposes of this section, the matter shall in accordance with regulations made by the secretary of state be referred to a medical referee, whose decision shall be final.

(2) If the workman at or immediately before the date of the disablement or suspension was employed in any process mentioned in the second column of the third schedule to this act, and the disease contracted is the disease in the first column of that schedule set opposite the description of the process, the disease, except where the certifying surgeon certifies that in his opinion the disease was not due to the nature of the employment, shall be deemed to have been due to the nature of that employment, unless the employer proves the contrary.

(3) The secretary of state may make rules regulating the duties and fees of certifying and other surgeons (including dentists) under this section.

(4) For the purposes of this section the date of disablement shall be such date as the certifying surgeon certifies as the date on which the disablement commenced, or, if he is unable to certify such a date, the date on which the certificate is given:

Provided that—

(a) Where the medical referee allows an appeal against a refusal by a certifying surgeon to give a certificate of disablement, the date of disablement shall be such date as the medical referee may determine:

(b) Where a workman dies without having obtained a certificate of disablement, or is at the time of death not in receipt of a weekly payment on account of disablement, it shall be the date of death.

(5) In such cases, and subject to such conditions as the secretary of state may direct, a medical practitioner appointed by the secretary of state for the purpose shall have the powers and duties of a certifying surgeon under this section, and this section shall be construed accordingly.

(6) The secretary of state may make orders for extending the provisions of this section to other diseases and other processes, and to injuries due to the nature of any employment specified in the order not being injuries by accident, either without modification or subject to such modifications as may be contained in the order.

(7) Where, after inquiry held on the application of any employers or workmen engaged in any industry to which this section applies, it appears that a mutual trade

insurance company or society for insuring against the risks under this section has been established for the industry, and that a majority of the employers engaged in that industry are insured against such risks in the company or society and that the company or society consents, the secretary of state may, by provisional order, require all employers in that industry to insure in the company or society upon such terms and under such conditions and subject to such exceptions as may be set forth in the order. Where such a company or society has been established, but is confined to employers in any particular locality or of any particular class, the secretary of state may for the purposes of this provision treat the industry, as carried on by employers in that locality or of that class, as a separate industry.

(8) A provisional order made under this section shall be of no force whatever unless and until it is confirmed by Parliament, and if, while the bill confirming any such order is pending in either House of Parliament, a petition is presented against the order, the bill may be referred to a select committee, and the petitioner shall be allowed to appear and oppose as in the case of private bills, and any act confirming any provisional order under this section may be repealed, altered, or amended by a provisional order made and confirmed in like manner.

(9) Any expenses incurred by the secretary of state in respect of any such order, provisional order, or confirming bill shall be defrayed out of moneys provided by Parliament.

(10) Nothing in this section shall affect the rights of a workman to recover compensation in respect of a disease to which this section does not apply, if the disease is a personal injury by accident within the meaning of this act.

9.—(1) This act shall not apply to persons in the naval or military service of the Crown, but otherwise shall apply to workmen employed by or under the Crown to whom this act would apply if the employer were a private person:

Provided that in the case of a person employed in the private service of the Crown, the head of that department of the royal household in which he was employed at the time of the accident shall be deemed to be his employer.

(2) The treasury may, by warrant laid before Parliament, modify for the purposes of this act their warrant made under section one of the Superannuation Act, 1887, and notwithstanding anything in that act, or any such warrant, may frame schemes with a view to their being certified by the registrar of friendly societies under this act.

10.—(1) The secretary of state may appoint such legally qualified medical practitioners to be medical referees for the purposes of this act as he may, with the sanction of the treasury, determine, and the remuneration of, and other expenses incurred by, medical referees under this act shall, subject to regulations made by the treasury, be paid out of moneys provided by Parliament.

Where a medical referee has been employed as a medical practitioner in connection with any case by or on behalf of an employer or workman or by any insurers interested, he shall not act as medical referee in that case.

(2) The remuneration of an arbitrator appointed by a judge of county courts under the second schedule to this act shall be paid out of moneys provided by Parliament in accordance with regulations made by the treasury.

11.—(1) If it is alleged that the owners of any ship are liable as such owners to pay compensation under this act, and at any time that ship is found in any port or river of England or Ireland, or within three miles of the coast thereof, a judge of any court of record in England or Ireland may, upon its being shown to him by any person applying in accordance with the rules of the court that the owners are probably liable as such to pay such compensation, and that none of the owners reside in the United Kingdom, issue an order directed to any officer of customs or other officer named by the judge requiring him to detain the ship until such time as the owners, agent, master, or consignee thereof have paid such compensation, or have given security, to be approved by the judge, to abide the event of any proceedings that may be instituted to recover such compensation and to pay such compensation and costs as may be awarded thereon; and any officer of customs or other officer to whom the order is directed shall detain the ship accordingly.

(2) In any legal proceeding to recover such compensation, the person giving security shall be made defendant, and the production of the order of the judge, made in relation to the security, shall be conclusive evidence of the liability of the defendant to the proceeding.

(3) Section six hundred and ninety-two of the Merchant Shipping Act, 1894, shall apply to the detention of a ship under this act as it applies to the detention of a ship under that act, and, if the owner of a ship is a corporation, it shall for the purposes of this section be deemed to reside in the United Kingdom if it has an office in the United Kingdom at which service of writs can be effected.

12.—(1) Every employer in any industry to which the secretary of state may direct that this section shall apply shall, on or before such day in every year as the secretary

of state may direct, send to the secretary of state a correct return specifying the number of injuries in respect of which compensation has been paid by him under this act during the previous year, and the amount of such compensation, together with such other particulars as to the compensation as the secretary of state may direct, and in default of complying with this section shall be liable on conviction under the Summary Jurisdiction Acts to a fine not exceeding five pounds [\$24.33].

(2) Any regulations made by the secretary of state containing such directions as aforesaid shall be laid before both Houses of Parliament as soon as may be after they are made.

13. In this act, unless the context otherwise requires,—

“Employer” includes any body of persons corporate or unincorporate and the legal personal representative of a deceased employer, and, where the services of a workman are temporarily lent or let on hire to another person by the person with whom the workman has entered into a contract of service or apprenticeship, the latter shall, for the purposes of this act, be deemed to continue to be the employer of the workman whilst he is working for that other person;

“Workman” does not include any person employed otherwise than by way of manual labor whose remuneration exceeds two hundred and fifty pounds [\$1,216.63] a year, or a person whose employment is of a casual nature and who is employed otherwise than for the purposes of the employer’s trade or business, or a member of a police force, or an outworker, or a member of the employer’s family dwelling in his house, but, save as aforesaid, means any person who has entered into or works under a contract of service or apprenticeship with an employer, whether by way of manual labor, clerical work, or otherwise, and whether the contract is expressed or implied, is oral or in writing;

Any reference to a workman who has been injured shall, where the workman is dead, include a reference to his legal personal representative or to his dependents or other person to whom or for whose benefit compensation is payable;

“Dependents” means such of the members of the workman’s family as were wholly or in part dependent upon the earnings of the workman at the time of his death, or would but for the incapacity due to the accident have been so dependent, and where the workman, being the parent or grandparent of an illegitimate child, leaves such a child so dependent upon his earnings, or, being an illegitimate child, leaves a parent or grandparent so dependent upon his earnings, shall include such an illegitimate child and parent or grandparent respectively;

“Member of a family” means wife or husband, father, mother, grandfather, grandmother, step-father, step-mother, son, daughter, grandson, granddaughter, stepson, step-daughter, brother, sister, half-brother, half-sister;

“Ship,” “vessel,” “seaman,” and “port” have the same meanings as in the Merchant Shipping Act, 1894;

“Manager,” in relation to a ship, means the ship’s husband or other person to whom the management of the ship is intrusted by or on behalf of the owner;

“Police force” means a police force to which the Police Act, 1890, or the Police (Scotland) Act, 1890, applies, the City of London Police Force, the Royal Irish Constabulary, and the Dublin Metropolitan Police Force;

“Outworker” means a person to whom articles or materials are given out to be made up, cleaned, washed, altered, ornamented, finished, or repaired, or adapted for sale, in his own home or on other premises not under the control or management of the person who gave out the materials or articles;

The exercise and performance of the powers and duties of a local or other public authority shall, for the purposes of this act, be treated as the trade or business of the authority;

“County court,” “judge of the county court,” “registrar of the county court,” “plaintiff,” and “rules of court,” as respects Scotland, mean respectively sheriff court, sheriff, sheriff clerk, pursuer, and act of sederunt.

14. In Scotland, where a workman raises an action against his employer independently of this act in respect of any injury caused by accident arising out of and in the course of the employment, the action, if raised in the sheriff court and concluding for damages under the Employers’ Liability Act, 1880, or alternatively at common law or under the Employers’ Liability Act, 1880, shall, notwithstanding anything contained in that act, not be removed under that act or otherwise to the court of session, nor shall it be appealed to that court otherwise than by appeal on a question of law; and for the purposes of such appeal the provisions of the second schedule to this act in regard to an appeal from the decision of the sheriff on any question of law determined by him as arbitrator under this act shall apply.

15.—(1) Any contract (other than a contract substituting the provisions of a scheme certified under the Workmen’s Compensation Act, 1897, for the provisions of that act) existing at the commencement of this act, whereby a workman relinquishes any



right to compensation from the employer for personal injury arising out of and in the course of his employment, shall not, for the purposes of this act, be deemed to continue after the time at which the workman's contract of service would determine if notice of the determination thereof were given at the commencement of this act.

(2) Every scheme under the Workmen's Compensation Act, 1897, in force at the commencement of this act shall, if recertified by the registrar of friendly societies, have effect as if it were a scheme under this act.

(3) The registrar shall recertify any such scheme if it is proved to his satisfaction that the scheme conforms, or has been so modified as to conform, with the provisions of this act as to schemes.

(4) If any such scheme has not been so recertified before the expiration of six months from the commencement of this act, the certificate thereof shall be revoked.

16.—(1) This act shall come into operation on the first day of July, nineteen hundred and seven, but, except so far as it relates to references to medical referees, and proceedings consequential thereon, shall not apply in any case where the accident happened before the commencement of this act.

(2) The Workmen's Compensation Acts, 1897 and 1900, are hereby repealed, but shall continue to apply to cases where the accident happened before the commencement of this act, except to the extent to which this act applies to those cases.

17. This act may be cited as the Workmen's Compensation Act, 1906.

#### FIRST SCHEDULE.

##### *Scale and conditions of compensation.*

(1) The amount of compensation under this act shall be—

(a) where death results from the injury—

(i) if the workman leaves any dependents wholly dependent upon his earnings, a sum equal to his earnings in the employment of the same employer during the three years next preceding the injury, or the sum of one hundred and fifty pounds [\$729.98], whichever of those sums is the larger, but not exceeding in any case three hundred pounds [\$1,459.95], provided that the amount of any weekly payments made under this act, and any lump sum paid in redemption thereof, shall be deducted from such sum, and, if the period of the workman's employment by the said employer has been less than the said three years, then the amount of his earnings during the said three years shall be deemed to be one hundred and fifty-six times his average weekly earnings during the period of his actual employment under the said employer;

(ii) if the workman does not leave any such dependents, but leaves any dependents in part dependent upon his earnings, such sum, not exceeding in any case the amount payable under the foregoing provisions, as may be agreed upon, or, in default of agreement, may be determined, on arbitration under this act, to be reasonable and proportionate to the injury to the said dependents; and

(iii) if he leaves no dependents, the reasonable expenses of his medical attendance and burial, not exceeding ten pounds [\$48.67];

(b) where total or partial incapacity for work results from the injury, a weekly payment during the incapacity not exceeding fifty per cent. of his average weekly earnings during the previous twelve months, if he has been so long employed, but if not then for any less period during which he has been in the employment of the same employer, such weekly payment not to exceed one pound [\$4.87];

Provided that—

(a) if the incapacity lasts less than two weeks no compensation shall be payable in respect of the first week; and

(b) as respects the weekly payments during total incapacity of a workman who is under twenty-one years of age at the date of the injury, and whose average weekly earnings are less than twenty shillings [\$4.87], one hundred per cent. shall be substituted for fifty per cent. of his average weekly earnings, but the weekly payment shall in no case exceed ten shillings [\$2.43].

(2) For the purposes of the provisions of this schedule relating to "earnings" and "average weekly earnings" of a workman, the following rules shall be observed:—

(a) average weekly earnings shall be computed in such manner as is best calculated to give the rate per week at which the workman was being remunerated. Provided that where by reason of the shortness of the time during which the workman has been in the employment of his employer, or the casual nature of the employment, or the terms of the employment, it is impracticable at the date of the accident to compute the rate of remuneration, regard may be had to the average weekly amount which, during the twelve months previous to the accident, was being earned by a person in the same grade employed at the same work by the same employer, or, if there is no

person so employed, by a person in the same grade employed in the same class of employment and in the same district;

(b) where the workman had entered into concurrent contracts of service with two or more employers under which he worked at one time for one such employer and at another time for another such employer, his average weekly earnings shall be computed as if his earnings under all such contracts were earnings in the employment of the employer for whom he was working at the time of the accident;

(c) employment by the same employer shall be taken to mean employment by the same employer in the grade in which the workman was employed at the time of the accident, uninterrupted by absence from work due to illness or any other unavoidable cause;

(d) where the employer has been accustomed to pay to the workman a sum to cover any special expenses entailed on him by the nature of his employment, the sum so paid shall not be reckoned as part of the earnings.

(3) In fixing the amount of the weekly payment, regard shall be had to any payment, allowance, or benefit which the workman may receive from the employer during the period of his incapacity, and in the case of partial incapacity the weekly payment shall in no case exceed the difference between the amount of the average weekly earnings of the workman before the accident and the average weekly amount which he is earning or is able to earn in some suitable employment or business after the accident, but shall bear such relation to the amount of that difference as under the circumstances of the case may appear proper.

(4) Where a workman has given notice of an accident, he shall, if so required by the employer, submit himself for examination by a duly qualified medical practitioner provided and paid by the employer, and, if he refuses to submit himself to such examination, or in any way obstructs the same, his right to compensation, and to take or prosecute any proceeding under this act in relation to compensation, shall be suspended until such examination has taken place.

(5) The payment in the case of death shall, unless otherwise ordered as hereinafter provided, be paid into the county court, and any sum so paid into court shall, subject to rules of court and the provisions of this schedule, be invested, applied, or otherwise dealt with by the court in such manner as the court in its discretion thinks fit for the benefit of the persons entitled thereto under this act, and the receipt of the registrar of the court shall be a sufficient discharge in respect of the amount paid in:

Provided that, if so agreed, the payment in case of death shall, if the workman leaves no dependents, be made to his legal personal representative, or, if he has no such representative, to the person to whom the expenses of medical attendance and burial are due.

(6) Rules of court may provide for the transfer of money paid into court under this act from one court to another, whether or not the court from which it is to be transferred is in the same part of the United Kingdom as the court to which it is to be transferred.

(7) Where a weekly payment is payable under this act to a person under any legal disability, a county court may, on application being made in accordance with rules of court, order that the weekly payment be paid during the disability into court, and the provisions of this schedule with respect to sums required by this schedule to be paid into court shall apply to sums paid into court in pursuance of any such order.

(8) Any question as to who is a dependent shall, in default of agreement, be settled by arbitration under this act, or, if not so settled before payment into court under this schedule, shall be settled by the county court, and the amount payable to each dependent shall be settled by arbitration under this act, or, if not so settled before payment into court under this schedule, by the county court. Where there are both total and partial dependents nothing in this schedule shall be construed as preventing the compensation being allotted partly to the total and partly to the partial dependents.

(9) Where, on application being made in accordance with rules of court, it appears to a county court that, on account of neglect of children on the part of a widow, or on account of the variation of the circumstances of the various dependents, or for any other sufficient cause, an order of the court or an award as to the apportionment amongst the several dependents of any sum paid as compensation, or as to the manner in which any sum payable to any such dependent is to be invested, applied, or otherwise dealt with, ought to be varied, the court may make such order for the variation of the former order or the award, as in the circumstances of the case the court may think just.

(10) Any sum which under this schedule is ordered to be invested may be invested in whole or in part in the Post Office Savings Bank by the registrar of the county court in his name as registrar.

(11) Any sum to be so invested may be invested in the purchase of an annuity from the national debt commissioners through the Post Office Savings Bank, or be accepted



by the postmaster-general as a deposit in the name of the registrar as such, and the provisions of any statute or regulations respecting the limits of deposits in savings banks, and the declaration to be made by a depositor, shall not apply to such sums.

(12) No part of any money invested in the name of the registrar of any county court in the Post Office Savings Bank under this act shall be paid out, except upon authority addressed to the postmaster-general by the treasury or, subject to regulations of the treasury, by the judge or registrar of the county court.

(13) Any person deriving any benefit from any moneys invested in a post office savings bank under the provisions of this act may, nevertheless, open an account in a post office savings bank or in any other savings bank in his own name without being liable to any penalties imposed by any statute or regulations in respect of the opening of accounts in two savings banks, or of two accounts in the same savings bank.

(14) Any workman receiving weekly payments under this act shall, if so required by the employer, from time to time submit himself for examination by a duly qualified medical practitioner provided and paid by the employer. If the workman refuses to submit himself to such examination, or in any way obstructs the same, his right to such weekly payments shall be suspended until such examination has taken place.

(15) A workman shall not be required to submit himself for examination by a medical practitioner under paragraph (4) or paragraph (14) of this schedule otherwise than in accordance with regulations made by the secretary of state, or at more frequent intervals than may be prescribed by those regulations.

Where a workman has so submitted himself for examination by a medical practitioner, or has been examined by a medical practitioner selected by himself, and the employer or the workman, as the case may be, has within six days after such examination furnished the other with a copy of the report of that practitioner as to the workman's condition, then, in the event of no agreement being come to between the employer and the workman as to the workman's condition or fitness for employment, the registrar of a county court, on application being made to the court by both parties, may, on payment by the applicants of such fee not exceeding one pound [\$4.87] as may be prescribed, refer the matter to a medical referee.

The medical referee to whom the matter is so referred shall, in accordance with regulations made by the secretary of state, give a certificate as to the condition of the workman and his fitness for employment, specifying, where necessary, the kind of employment for which he is fit, and that certificate shall be conclusive evidence as to the matters so certified.

Where no agreement can be come to between the employer and the workman as to whether or to what extent the incapacity of the workman is due to the accident, the provisions of this paragraph shall, subject to any regulations made by the secretary of state, apply as if the question were a question as to the condition of the workman.

If a workman, on being required so to do, refuses to submit himself for examination by a medical referee to whom the matter has been so referred as aforesaid, or in any way obstructs the same, his right to compensation and to take or prosecute any proceeding under this act in relation to compensation, or, in the case of a workman in receipt of a weekly payment, his right to that weekly payment, shall be suspended until such examination has taken place.

Rules of court may be made for prescribing the manner in which documents are to be furnished or served and applications made under this paragraph and the forms to be used for those purposes and, subject to the consent of the treasury, as to the fee to be paid under this paragraph.

(16) Any weekly payment may be reviewed at the request either of the employer or of the workman, and on such review may be ended, diminished, or increased, subject to the maximum above provided, and the amount of payment shall, in default of agreement, be settled by arbitration under this act:

Provided that where the workman was at the date of the accident under twenty-one years of age and the review takes place more than twelve months after the accident, the amount of the weekly payment may be increased to any amount not exceeding fifty per cent. of the weekly sum which the workman would probably have been earning at the date of the review if he had remained uninjured, but not in any case exceeding one pound [\$4.87].

(17) Where any weekly payment has been continued for not less than six months, the liability therefor may, on application by or on behalf of the employer, be redeemed by the payment of a lump sum of such an amount as, where the incapacity is permanent, would, if invested in the purchase of an immediate life annuity from the national debt commissioners through the Post Office Savings Bank, purchase an annuity for the workman equal to seventy-five per cent. of the annual value of the weekly payment, and as in any other case may be settled by arbitration under this act, and such lump sum may be ordered by the committee or arbitrator or judge of the county court to be invested or otherwise applied for the benefit of the person entitled

thereto: Provided that nothing in this paragraph shall be construed as preventing agreements being made for the redemption of a weekly payment by a lump sum.

(18) If a workman receiving a weekly payment ceases to reside in the United Kingdom, he shall thereupon cease to be entitled to receive any weekly payment, unless the medical referee certifies that the incapacity resulting from the injury is likely to be of a permanent nature. If the medical referee so certifies, the workman shall be entitled to receive quarterly the amount of the weekly payments accruing due during the preceding quarter so long as he proves, in such manner and at such intervals as may be prescribed by rules of court, his identity and the continuance of the incapacity in respect of which the weekly payment is payable.

(19) A weekly payment, or a sum paid by way of redemption thereof, shall not be capable of being assigned, charged, or attached, and shall not pass to any other person by operation of law, nor shall any claim be set off against the same.

(20) Where under this schedule a right to compensation is suspended no compensation shall be payable in respect of the period of suspension.,

(21) Where a scheme certified under this act provides for payment of compensation by a friendly society, the provisions of the proviso to the first subsection of section eight, section sixteen, and section forty-one of the Friendly Societies Act, 1896, shall not apply to such society in respect of such scheme.

(22) In the application of this act to Ireland the provisions of the County Officers and Courts (Ireland) Act, 1877, with respect to money deposited in the Post Office Savings Bank under that act shall apply to money invested in the Post Office Savings Bank under this act.

## SECOND SCHEDULE.

### *Arbitration, &c.*

(1) For the purpose of settling any matter which under this act is to be settled by arbitration, if any committee, representative of any employer and his workmen, exists with power to settle matters under this act in the case of the employer and workmen, the matter shall, unless either party objects by notice in writing sent to the other party before the committee meet to consider the matter, be settled by the arbitration of such committee, or be referred by them in their discretion to arbitration as hereinafter provided.

(2) If either party so objects, or there is no such committee, or the committee so refers the matter or fails to settle the matter within six months from the date of the claim, the matter shall be settled by a single arbitrator agreed on by the parties, or in the absence of agreement by the judge of the county court, according to the procedure prescribed by rules of court.

(3) In England the matter, instead of being settled by the judge of the county court, may, if the lord chancellor so authorizes, be settled according to the like procedure, by a single arbitrator appointed by that judge, and the arbitrator so appointed shall, for the purposes of this act, have all the powers of that judge.

(4) The Arbitration Act, 1889, shall not apply to any arbitration under this act; but a committee or an arbitrator may, if they or he think fit, submit any question of law for the decision of the judge of the county court, and the decision of the judge on any question of law, either on such submission, or in any case where he himself settles the matter under this act, or where he gives any decision or makes any order under this act, shall be final, unless within the time and in accordance with the conditions prescribed by rules of the Supreme Court either party appeals to the court of appeal; and the judge of the county court, or the arbitrator appointed by him, shall, for the purpose of proceedings under this act, have the same powers of procuring the attendance of witnesses and the production of documents as if the proceedings were an action in the county court.

(5) A judge of county courts may, if he thinks fit, summon a medical referee to sit with him as an assessor.

(6) Rules of court may make provision for the appearance in any arbitration under this act of any party by some other person.

(7) The costs of and incidental to the arbitration and proceedings connected therewith shall be in the discretion of the committee, arbitrator, or judge of the county court, subject as respects such judge and an arbitrator appointed by him to rules of court. The costs, whether before a committee or an arbitrator or in the county court, shall not exceed the limit prescribed by rules of court, and shall be taxed in manner prescribed by those rules and such taxation may be reviewed by the judge of the county court.

(8) In the case of the death, or refusal or inability to act, of an arbitrator, the judge of the county court may, on the application of any party, appoint a new arbitrator.

(9) Where the amount of compensation under this act has been ascertained, or any weekly payment varied, or any other matter decided under this act, either by a committee or by an arbitrator or by agreement, a memorandum thereof shall be sent, in manner prescribed by rules of court, by the committee or arbitrator, or by any party interested, to the registrar of the county court who shall, subject to such rules, on being satisfied as to its genuineness, record such memorandum in a special register without fee, and thereupon the memorandum shall for all purposes be enforceable as a county court judgment.

Provided that—

(a) no such memorandum shall be recorded before seven days after the despatch by the registrar of notice to the parties interested; and

(b) where a workman seeks to record a memorandum of agreement between his employer and himself for the payment of compensation under this act and the employer, in accordance with rules of court, proves that the workman has in fact returned to work and is earning the same wages as he did before the accident, and objects to the recording of such memorandum, the memorandum shall only be recorded, if at all, on such terms as the judge of the county court, under the circumstances, may think just; and

(c) the judge of the county court may at any time rectify the register; and

(d) where it appears to the registrar of the county court, on any information which he considers sufficient, that an agreement as to the redemption of a weekly payment by a lump sum, or an agreement as to the amount of compensation payable to a person under any legal disability, or to dependents, ought not to be registered by reason of the inadequacy of the sum or amount, or by reason of the agreement having been obtained by fraud or undue influence, or other improper means, he may refuse to record the memorandum of the agreement sent to him for registration, and refer the matter to the judge who shall, in accordance with rules of court, make such order (including an order as to any sum already paid under the agreement) as under the circumstances he may think just; and

(e) The judge may, within six months after a memorandum of an agreement as to the redemption of a weekly payment by a lump sum, or of an agreement as to the amount of compensation payable to a person under any legal disability, or to dependents, has been recorded in the register, order that the record be removed from the register on proof to his satisfaction that the agreement was obtained by fraud or undue influence or other improper means, and may make such order (including an order as to any sum already paid under the agreement) as under the circumstances he may think just.

(10) An agreement as to the redemption of a weekly payment by a lump sum if not registered in accordance with this act shall not, nor shall the payment of the sum payable under the agreement, exempt the person by whom the weekly payment is payable from liability to continue to make that weekly payment, and an agreement as to the amount of compensation to be paid to a person under a legal disability or to dependents, if not so registered, shall not, nor shall the payment of the sum payable under the agreement, exempt the person by whom the compensation is payable from liability to pay compensation, unless, in either case, he proves that the failure to register was not due to any neglect or default on his part.

(11) Where any matter under this act is to be done in a county court, or by, to, or before the judge or registrar of a county court, then, unless the contrary intention appear, the same shall, subject to rules of court, be done in, or by, to, or before the judge or registrar of, the county court of the district in which all the parties concerned reside, or if they reside in different districts the district prescribed by rules of court, without prejudice to any transfer in manner provided by rules of court.

(12) The duty of a judge of county courts under this act, or in England of an arbitrator appointed by him, shall, subject to rules of court, be part of the duties of the county court, and the officers of the court shall act accordingly, and rules of court may be made both for any purpose for which this act authorizes rules of court to be made, and also generally for carrying into effect this act so far as it affects the county court, or an arbitrator appointed by the judge of the county court, and proceedings in the county court or before any such arbitrator, and such rules may, in England, be made by the five judges of county courts appointed for the making of rules under section one hundred and sixty-four of the County Courts Act, 1888, and when allowed by the lord chancellor, as provided by that section, shall have full effect without any further consent.

(13) No court fee, except such as may be prescribed under paragraph (15) of the first schedule of this act, shall be payable by any party in respect of any proceedings by or against a workman under this act in the court prior to the award.

(14) Any sum awarded as compensation shall, unless paid into court under this act, be paid on the receipt of the person to whom it is payable under any agreement

or award, and the solicitor or agent of a person claiming compensation under this act shall not be entitled to recover from him any costs in respect of any proceedings in an arbitration under this act, or to claim a lien in respect of such costs on, or deduct such costs from, the sum awarded or agreed as compensation, except such sum as may be awarded by the committee, the arbitrator, or the judge of the county court, on an application made either by the person claiming compensation, or by his solicitor or agent, to determine the amount of costs to be paid to the solicitor or agent, such sum to be awarded subject to taxation and to the scale of costs prescribed by rules of court.

(15) Any committee, arbitrator, or judge may, subject to regulations made by the secretary of state and the treasury, submit to a medical referee for report any matter which seems material to any question arising in the arbitration.

(16) The secretary of state may, by order, either unconditionally or subject to such conditions or modifications as he may think fit, confer on any committee representative of an employer and his workmen, as respects any matter in which the committee act as arbitrators, or which is settled by agreement submitted to and approved by the committee, all or any of the powers conferred by this act exclusively on county courts or judges of county courts, and may by the order provide how and to whom the compensation money is to be paid in cases where, but for the order, the money would be required to be paid into court, and the order may exclude from the operation of provisos (d) and (e) of paragraph (9) of this schedule agreements submitted to and approved by the committee, and may contain such incidental, consequential, or supplemental provisions as may appear to the secretary of state to be necessary or proper for the purposes of the order.

(17) In the application of this schedule to Scotland—

(a) "County court judgment" as used in paragraph (9) of this schedule means a recorded decree arbitral:

(b) Any application to the sheriff as arbitrator shall be heard, tried, and determined summarily in the manner provided by section fifty-two of the Sheriff Courts (Scotland) Act, 1876, save only that parties may be represented by any person authorized in writing to appear for them and subject to the declaration that it shall be competent to either party within the time and in accordance with the conditions prescribed by act of sederunt to require the sheriff to state a case on any question of law determined by him, and his decision thereon in such case may be submitted to either division of the court of session, who may hear and determine the same and remit to the sheriff with instruction as to the judgment to be pronounced, and an appeal shall lie from either of such divisions to the House of Lords.

(c) Paragraphs (3), (4), and (8) shall not apply.

(18) In the application of this schedule to Ireland the expression "judge of the county court" shall include the recorder of any city or town, and an appeal shall lie from the court of appeal to the House of Lords.

THIRD SCHEDULE.

Description of disease.	Description of process.
Anthrax.....	Handling of wool, hair, bristles, hides, and skins.
Lead poisoning or its sequelæ.....	Any process involving the use of lead or its preparations or compounds.
Mercury poisoning or its sequelæ.....	Any process involving the use of mercury or its preparations or compounds.
Phosphorus poisoning or its sequelæ....	Any process involving the use of phosphorus or its preparations or compounds.
Arsenic poisoning or its sequelæ.....	Any process involving the use of arsenic or its preparations or compounds.
Ankylostomiasis.....	Mining.

Where regulations or special rules made under any act of Parliament for the protection of persons employed in any industry against the risk of contracting lead poisoning require some or all of the persons employed in certain processes specified in the regulations or special rules to be periodically examined by a certifying or other surgeon, then, in the application of this schedule to that industry, the expression "process" shall, unless the secretary of state otherwise directs, include only the processes so specified.



ORDER of the Secretary of State for the Home Department, dated May 22, 1907, extending the provisions of the Workmen's Compensation Act, 1906, to certain industrial diseases.

## SCHEDULE.

Description of disease or injury.	Description of process.
1. Poisoning by nitro- and amido-derivatives of benzene (dinitro-benzol, anilin, and others), or its sequelæ.	Any process involving the use of a nitro- or amido-derivative of benzene or its preparations or compounds.
2. Poisoning by carbon bisulphide or its sequelæ..	Any process involving the use of carbon bisulphide or its preparations or compounds.
3. Poisoning by nitrous fumes or its sequelæ.....	Any process in which nitrous fumes are evolved.
4. Poisoning by nickel carbonyl or its sequelæ....	Any process in which nickel carbonyl gas is evolved.
5. Arsenic poisoning or its sequelæ.....	Handling of arsenic or its preparations or compounds.
6. Lead poisoning or its sequelæ.....	Handling of lead or its preparations or compounds.
7. Poisoning by Gonloma Kamassi (African boxwood) or its sequelæ.....	Any process in the manufacture of articles from Gonloma Kamassi (African boxwood).
8. Chrome ulceration or its sequelæ.....	Any process involving the use of chromic acid or bi-chromate of ammonium, potassium, or sodium, or their preparations.
9. Eczematous ulceration of the skin produced by dust or caustic or corrosive liquids, or ulceration of the mucous membrane of the nose or mouth produced by dust.	
10. Epitheliomatous cancer or ulceration of the skin or of the corneal surface of the eye, due to pitch, tar, or tarry compounds.	Handling or use of pitch, tar, or tarry compounds.
11. Scrotal epithelioma (chimney-sweeps' cancer)..	Chimney-sweeping.
12. Nystagmus.....	Mining.
13. Glanders.....	Care of any equine animal suffering from glanders; handling the carcass of such animal.
14. Compressed air illness or its sequelæ.....	Any process carried on in compressed air.
15. Subcutaneous cellulitis of the hand (beat hand).	Mining.
16. Subcutaneous cellulitis over the patella (miners' beat knee).	Mining.
17. Acute bursitis over the elbow (miners' beat elbow).	Mining.
18. Inflammation of the synovial lining of the wrist joint and tendon sheaths.	Mining.

ORDER of the Secretary of State for the Home Department, dated December 2, 1908, extending the provisions of the Workmen's Compensation Act, 1906, to certain industrial diseases, and amending the previous order of May 22, 1907.

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(2) A glass worker suffering from cataract shall be entitled to compensation under the provisions of the said section, as applied by this order, for a period not longer than six months in all, nor for more than four months unless he has undergone an operation for cataract.

(3) In the application of the provisions of section 8 to telegraphists' cramp, so far as regards a workman employed by the postmaster-general, the post office medical officer under whose charge the workman is placed shall, if authorized to act for the purposes of the said section by the postmaster-general, be substituted for the certifying surgeon.

(4) The order of the 22nd May, 1907, so far as it applies to eczematous ulceration of the skin produced by dust or caustic or corrosive liquids, or ulceration of the mucous membrane of the nose or mouth produced by dust, is revoked, except as regards cases arising before the date of this order.

## SCHEDULE.

Description of disease or injury.	Description of process.
Cataract in glass workers.....	Processes in the manufacture of glass involving exposure to the glare of molten glass.
Telegraphists' cramp.....	Use of telegraphic instruments.
Eczematous ulceration of the skin produced by dust or liquids, or ulceration of the mucous membrane of the nose or mouth produced by dust.	

## HUNGARY.

ACT No. XIX OF THE YEAR 1907, RELATING TO THE INSURANCE OF INDUSTRIAL AND COMMERCIAL EMPLOYEES AGAINST SICKNESS AND ACCIDENT, SANCTIONED APRIL 6, 1907; PROMULGATED APRIL 9, 1907, IN "ORSZÁGOS TÖRVÉNYTÁR."<sup>(a)</sup>

### PART I.

#### PRINCIPAL PROVISIONS.

##### TITLE I.—*Compulsory insurance.*

ARTICLE 1. Insurance against sickness, is compulsory for all persons, irrespective of sex, age and citizenship, who are employed within the dominions of the Holy Hungarian Crown, permanently or temporarily, subsidiarily, or transiently, at a salary or wage not exceeding 2400 crowns [\$487.20] per year or 8 crowns [\$1.62] per day:

(1) in any occupation coming within the industrial law (Act XVII, 1884), including the state monopolies and the establishments connected therewith (Act XVII, 1884, article 183, subdivision d), as well as the flour mills and liquor-shops classed among the smaller royal establishments (Act XVII, 1884, article 183, subdivision f);

(2) in any gainful occupation which though not coming within the Industrial Law, is followed as a trade or a business (in technical bureaus and agencies, in theatres, pharmacies, sanatoria, etc.);

(3) in mines, smelters, salt-works, and other works for the treatment of mining products (Title XIII), in establishments, plants and works for quarrying, the production of sand, rubblestone and clay; for the crushing and working up of stone and earth materials;

(4) in the construction of roads, bridges, railroads, tunnels, water-works, dikes, canals, harbors, fortifications and aqueducts, likewise in the construction of systems for the transmission of gas, electric light and power;

(5) in the production and manufacture of inflammable materials and explosives, as well as of products injurious to health, or poisonous;

(6) in chemical, physical and pharmaceutical laboratories;

(7) in abattoirs and ice-plants;

(8) in the operation of railways, irrespective of the motive power, in factories and work shops connected with the construction and maintenance of the same, in the postal, telegraph and telephone service and on work for the construction and maintenance thereof (article 10);

(9) in navigation, the loading of ships of all kinds and ship-building;

(10) in undertakings for dredging, transportation, ferrying and timber-rafting;

(11) in the carrying and forwarding of goods, in warehouses and commercial cellarage;

(12) in subsidiary establishments connected with agriculture and forestry, stock-breeding, fisheries, horticulture and viticulture, silk-worm and bee-breeding, even when the same utilize principally their own raw products (Act XVII, 1884, article 183, subdivision a);

(13) in public institutions (article 10);

(14) in state, municipal, communal and institutional undertakings (Title XIII) or offices (article 10), with the exception of soldiers employed in military institutions and plants (Act XVII, 1884, article 183, subdivision e);

(15) in laboratories of public institutions of learning;

<sup>a</sup> From Ungarische Reichsgesetzsammlung für das Jahr 1907. Authentische Übersetzung. Herausgegeben vom kön. ung. Ministerium des Innern. Erstes Heft. (I-XXIII.), Budapest. Pages 309 to 525.



(16) in associations, cooperative societies and guilds and the insurance funds established in accordance with this act.

The provisions of this act do not apply to employees in sea-navigation and fisheries.

ART. 2. Apprentices, students and such persons as receive no salary or wage at all or one below the customary, by reason of uncompleted training, are also deemed employees subject to compulsory insurance as mentioned in article 1.

Subject to compulsory insurance are furthermore those who are engaged in industrial work in their own shops or dwellings upon orders and for the account of other tradespeople, (domestic industry), even if they themselves produce the raw and subsidiary materials, and incidentally work on their own account as well. Every employer is responsible for reporting such domestic workers and for the amounts of their insurance contributions.

ART. 3. Subject to compulsory insurance, irrespective of sex, age and rate of salary or wages, are also all those who are employed permanently or temporarily, subsidiarily or transiently in the undertakings, establishments or work enumerated below. However, as regards the compensation for accidents as well as the apportionment and adjustment of the costs of the accident, the earnings of the employee are to be taken into account only to the amount of 2,400 crowns [\$487.20] per year.

The undertakings, establishments, and work to which insurance against accident applies are as follows:

(1) Mines, smelters, salt-works, and other works for the treatment of mining products (Title XIII), establishments, plants and works for quarrying, the production of sand, rubblestone and clay, for the crushing and working up of stone and earth-materials;

(2) ship-building yards, carpenter shops and sawmills;

(3) all factories, even when they are run as subsidiary industrial branches of the occupations named in article 183, subdivision a, of Act XVII of 1884, and utilize mostly their own raw products, likewise all workshops provided that at least 20 employees are steadily employed therein;

(4) all establishments and work in the building-trades as well as all construction-work performed at residences and not as a business, with the exception of repair work, performed not as a business, and requiring no building-license, likewise one story structures of simple construction;

(5) the construction of streets, bridges, railways, tunnels, water-works, dikes, canals, harbors, fortifications and aqueducts, likewise the construction of systems for the transmission of gas, electric light and power;

(6) the installation of water, gas, and electric lighting, and lightning-conductors;

(7) the cleaning of streets, houses, canals and windows;

(8) establishments for chimney-sweeping, well digging and stonecutting, stone carving and plaster molding;

(9) establishments for show window and show-case construction and for the installation of ventilation-appliances; carpentry, plumbing, tiling, roofing, smithing, lock-smithing, painting, housepainting, upholstering and glazing establishments;

(10) the production and manufacture of inflammable materials and explosives, as well as of products injurious to health, or poisonous;

(11) professional fire-brigades;

(12) chemical, physical and pharmaceutical laboratories;

(13) abattoirs, butcher shops, meat-smoking establishments and ice-plants;

(14) plants for the manufacture of malt, oil, lacquers, paints and varnishes;

(15) the operation of all railways, irrespective of the motive power, the construction and maintenance of the same, railway shops, as well as all business establishments run in the stations (restaurants, stores, etc.);

(16) navigation concerns, including restaurants conducted on board of ships, ship-lading and ship-building establishments and work of every kind;

(17) dredging, transportation, ferrying and rafting undertakings;

(18) expressage, forwarding of goods, warehouses, as well as commercial cellarage houses;

(19) automobile establishments;

(20) postal, telegraph, and telephone establishments and the construction and maintenance thereof;

(21) wood and coal yards maintained as a business, and the manufacture of lumber, as a business;

(22) pumping plants of water-regulating and water-using companies;

(23) institutions for the care of the sick;

(24) workshops of institutions for public instruction;

(25) undertakings operated with the labor of inmates of institutions of correction and detention; finally

(26) all establishments, irrespective of the number of workmen employed, which use machinery run by mechanical power, or steam boilers, requiring an official license.

State, municipal, communal and institutional establishments, in so far as they come within the subdivisions 1-26; as well as all persons employed in subsidiary establishments and premises connected with a main establishment subject to insurance, are likewise subject to insurance.

Employees in mining industries subject to the mining law, are insured in the manner and organization set forth in Title XIII of this act.

Article 26 of Act XIV of 1902 is amended so that the owner of machinery is bound to have the workmen (including the engineer) employed about a threshing-machine, about a steam-plough and about any agricultural machine, admitted as extraordinary members of agricultural laborers' and servants' relief funds organized in pursuance of Act XVI of 1900 and the above-mentioned act, and to pay the membership fee (1 crown) [90.203] for them unless they are insured in accordance with article 25 of the act of 1902; and except if he has satisfied himself that the person concerned is already insured against accident in the relief fund as a regular or extraordinary member or as a farm servant. If the owner of the machine fails in his duty imposed upon him by this paragraph, he is liable to the workman or his legal representatives for all damages arising from such neglect, even in case he is otherwise not chargeable with negligence relating to the accident which occurred during the work.

The minister of commerce is empowered, upon understanding with the minister of agriculture, to extend, by executive order, compulsory accident insurance also to other trades involving danger of accident to employees, especially with reference to work and to establishments coming within Act XVII, 1884, article 183, subdivision a. The order issued in this matter, as well as any amendment thereto, must be laid before the Reichstag.

Art. 4. Employees of domestic concerns, who are regularly employed out of the state, but are domiciled in Hungary, are subject to insurance in the manner set forth in articles 1-3, except when already insured according to the law of the country where they pursue their occupation.

Employees of domestic concerns, who are temporarily employed out of the state, but are domiciled and subject to insurance in Hungary, enjoy the benefits from insurance procured in accordance with this act, no matter whether the sickness or accident, entitling them to insurance benefits under this act, has befallen them within or without the state, except when the employee is already insured against sickness or accident in a foreign state in accordance with the law of the same.

Art. 5. With regard to insurance against sickness, subjects of foreign states are treated in every case alike with Hungarian subjects; with regard to insurance against accident, however, only when the state in question observes the same rule toward Hungarian subjects employed within its territory. With reference to subjects of states in which accident-insurance is not regulated by law, the minister of commerce may order their compulsory insurance under article 3, irrespective of reciprocity.

Art. 6. An undertaking whose plant extends beyond the boundaries of the country, is subject to insurance in one state only; in this respect the location of the principal office of the undertaking is controlling. If the undertaking has a permanent representation within the country, however, the present act governs the compulsory insurance of employees, subject to the jurisdiction of the same.

In case of reciprocity, the native and foreign employees of plants mentioned in the first paragraph receive the same treatment in the matter of insurance, according to article 5.

Art. 7. The following may voluntarily insure themselves against sickness and, unless the law directs otherwise, must be admitted to the National Workmen's Sickness and Accident Insurance Fund (Landes-Arbeiter-Kranken und Unfallversicherungskasse), organized in pursuance of Title X of this act:

(a) employees not subject to compulsory insurance within the meaning of article 10, whose yearly salary together with rental allowance, does not exceed 1000 crowns [\$203.00], or whose daily wage does not exceed 4 crowns [\$0.81];

(b) domestic servants;

(c) those engaged in domestic industries;

(d) independent tradesmen working without help;

(e) the common day-laborers (article 183, subdivision m, Act XVII of 1884);

(f) members of the family of an insured member of the fund;

(g) students in institutions of public instruction equipped with laboratories;

(h) agricultural laborers and servants;

(i) inmates of houses of correction and prisoners employed in the shops of the institution;

(j) those who have been voluntarily insured for at least three consecutive months, in sick benefit funds on the ground of Act XIV of 1891, immediately preceding the date on which this act is to take effect;

(k) all employees insured against accident under article 3, yet not subject to insurance against sickness under articles 1 and 2, whenever their yearly salary or earnings do not exceed 2400 crowns [\$487.20], or their daily earnings do not exceed 8 crowns [\$1.62].

Persons desiring to enroll voluntarily under subdivisions a to k may be required to undergo a preliminary medical examination and their admission may be made dependent upon the favorable result of the medical examination; moreover, the provisions of the constitution relating to the qualifications for voluntary enrollment may also fix an age limit.

If an employer himself reports his employees who are not subject to compulsory insurance, but are voluntarily insurable under this article and insures them with the National Workmen's Sickness and Accident Insurance Fund, such insurance may be terminated in the case of each employee only on the day of the termination of his employment, in all other cases, however, with the end of the calendar year.

ART. 8. All those who under article 7, may voluntarily insure themselves against sickness, may likewise, if they so desire, insure themselves, against accident up to the amount of their income or earnings, not exceeding 2400 crowns [\$487.20].

Moreover, the proprietors of manufacturing establishments may insure

(a) themselves;

(b) their employees, such as are not subject to compulsory insurance against accident;

(c) other persons systematically or professionally frequenting their establishment.

The insurance effected under subdivisions b and c of this article begins on the day when application for the same is made and runs to the end of the calendar year in which notice of termination of the insurance is given. Should the establishment go out of business or change hands, the said insurance ceases forthwith; except, if in the latter case, the new proprietor gives notice of the continuance of the insurance within 15 days from the change.

The minister of justice is empowered to fix by executive order, the modifications with which the provisions of this act are to be applied to establishments designated in article 3, subdivision 25 and article 7, subdivision i.

ART. 9. An employee insured within the meaning of this act is considered insured also against an accident which occurs to him, while in the performance of acts by order of the employer or his authorized agent or in the interests of the establishment.

ART. 10. Employees in state, municipal, communal and institutional establishments or offices, including state railways, post-offices, telegraphs, telephones and factories, further in public institutions (article 1, subdivisions 13 and 14), as well as those in railroad and steamship undertakings engaged in public service, do not come under the operation of insurance against sickness, if the sick benefits allowed them under the rules of the service, in force therein, continue for at least 20 weeks from the beginning of the sickness.

The operation of compulsory accident insurance does not extend to officials of the said establishments, offices and public institutions, with title to pension, nor to such of the employees of the same as are entitled, together with their dependents, in case of industrial accident, to a pension equivalent to the compensation provided in Title VII of this act.

The provisions of Act XVIII of 1874 remain in force with respect to employees embraced within this act, whenever, under the second paragraph, they are exempted from the operation of accident insurance established by this act.

ART. 11. In determining the rate of wages or salary for the purposes of compulsory insurance against sickness, with a view to assessing the insurance dues, no account is to be taken of extra allowances for house rent or the equivalent thereof in lodgings, except in the case set forth in article 7, subdivision a, nor of additional amounts received occasionally (except for maintenance), nor of bonuses.

In accident insurance, however, governed by the present act, for the purposes of the apportionment and assessment of the cost of insurance and of the determination of the compensation thereunder, all extra benefits mentioned in the preceding paragraph are likewise to be included in the annual earnings.

If the employee receives complete or partial maintenance in lieu of salary or wages, the local customary equivalent thereof, together with the salary or wages actually received, shall determine whether there is a case for compulsory insurance against sickness, as well as the rate of dues to be paid, likewise the apportionment and assessment of the annual cost of accident insurance as well as the compensation thereunder. The equivalent of the obligation stipulated by agreement, in addition

to the salary or wages or in lieu thereof, and of other benefits in kind is to be fixed in the constitution of the District Workmen's Insurance Fund (Bezirks-Arbeiter-versicherungskasse).

**TITLE II.—Duty of notification; notice and proof of membership.**

**ARTICLE 12.** Within eight days from commencing work, the employer is obliged, in accordance with the rules provided therefor (article 19), to give notice to the District Workmen's Insurance Fund of every person subject to insurance in his employ. The notice, which is to be sent in duplicate and signed by the person giving the same, must contain at least the following data:

- (1) the employer's name or firm name;
- (2) a description of the factory, its nature and location;
- (3) the surname and baptismal name of the employee reported, the date of his engagement, the salary or wages received by the employee, any extra compensation, and compensation in kind;
- (4) the kind of motors, machines and explosives used in the establishment.

Within 8 days from the beginning of the change, the employer is likewise bound to notify the District Workmen's Insurance Fund of any changes occurring in the terms of employment of the person subject to insurance, with respect to the nature of employment, the salary or wages, likewise of any changes in the person of the proprietor of the establishment or of the employer, and all such changes that have occurred in the establishment as material from the standpoint of compulsory sickness or accident insurance, the classification of risks, the carrying on of sickness or accident insurance in general.

An employer who fails to report within the prescribed time, is bound to pay entirely at his own expense, the insurance dues from the day on which the employee was engaged to the date the report was actually made, or, should the employment have ceased in the meantime, all the dues matured during the period thereof, further the damages caused by his failure to report the change that has taken place in the relation of employment, likewise to pay the expenses resulting from sickness which may have in the meantime befallen any person subject to insurance but not reported in due time, and finally the costs of the proceeding to the National Workmen's Sickness and Accident Insurance Fund.

**ART. 13.** Employers who employ a temporary force of more than twenty persons subject to insurance, may report their employees, as well as the changes occurring in the relation of employment and in the establishment, within the meaning of paragraph 2 of article 12 by means of weekly pay-rolls, and those who employ a temporary force of more than one hundred persons subject to insurance, by means of monthly pay-rolls.

In all these cases the pay-rolls must contain all the data which the individual report-blanks call for and must be sent in duplicate, signed by the person making the same, to the District Workmen's Insurance Fund, at the latest before the third day of the week following, or the monthly lists—before the third day of the month following, respectively.

**ART. 14.** In accordance with the provisions made for this purpose, (article 19) the employer must report to the District Workmen's Insurance Fund the termination of employment of his employees subject to insurance, likewise the closing of his establishment within eight days from such termination or from the closing of the establishment.

Employers who employ a temporary force of more than twenty, or one of more than one hundred persons, subject to insurance, as the case may be, may report the termination of their employment, by means of pay-rolls in the manner prescribed in article 13.

If any employer fails to report such termination within the time fixed by law he is obliged to pay, entirely at his own expense, the accruing dues until notice of termination is actually served, or should the employee have entered the employ of another establishment subject to insurance, the dues accruing to the date of his re-employment.

**ART. 15.** Reports concerning voluntary insurance must likewise be made in the manner set forth in articles 12-14, to the District Workmen's Insurance Fund, giving the data required therein.

**ART. 16.** The District Workmen's Insurance Fund shall give the employer an acknowledgment of the receipt of reports made in accordance with sections 12-15.

**ART. 17.** Members of the fund insured against sickness are to be provided with membership certificates.

The membership certificates shall be issued by the District Workmen's Insurance Fund.

The minister of commerce may authorize or require the state, municipal, communal and institutional establishments and offices and such employers as employ steadily



more than 100 workmen, to provide on their own responsibility, their reported employees with membership certificates, which are to be obtained from the District Workmen's Insurance Fund and filled out by them.

The cost of the membership certificates is to be paid by the members to the National Workmen's Sickness and Accident Insurance Fund; the National Workmen's Sickness and Accident Insurance Fund is to fix in its constitution the amount of the fee to be paid for the certificate.

The fee for the membership certificates of persons subject to insurance is to be paid by the employer; however he has the right to deduct the fee charged for the certificate from the employee's salary or wages.

ART. 18. If an employer empowered to issue membership certificates in accordance with the preceding article is guilty of delays or abuses in issuing the same, the State Workmen's Insurance Office (Staatliche Arbeiterversicherungsamt) may withdraw from him the right of issuing certificates. Such an employer must make restitution, entirely at his own expense, to the National Workmen's Sickness and Accident Insurance Fund for all costs connected with the issuance of certificates and any damages caused by him.

ART. 19. The particular rules with regard to the reports which are required by this title concerning the engagement of employees, the termination of their employment, the form of the membership certificates and the procedure to be followed in issuing the same are to be prescribed by the State Workmen's Insurance Office.

ART. 20. The officials who enforce the industrial law, the factory inspectors and the National Workmen's Sickness and Accident Insurance Fund or the District Workmen's Insurance Fund, respectively, may supervise the employers regarding the manner of their fulfilling the duties imposed upon them by this title and have their establishments at any time inspected for the purposes of such supervision. The National Workmen's Sickness and Accident Insurance Fund, as well as the District Workmen's Insurance Funds are likewise authorized, to have the factories examined by their duly commissioned officials, in order to determine whether there is a case for compulsory insurance, as well as all particulars which are material for the insurance and classification of risks.

The employers must keep exact and regular pay-rolls, in the manner to be prescribed by the State Workmen's Insurance Office, to exhibit the lists of their workmen and their pay-rolls to the officials who enforce the industrial law, to the factory inspectors and representatives of insurance funds, to allow them to inspect the establishments and all records relating thereto, as well as to place at their disposal the data required by them concerning reports, payment of dues and membership certificates, and finally to preserve the lists of workmen and the pay-rolls for three years. But the duty imposed by this act of keeping and preserving lists of workmen and pay-rolls does not apply to those employers who as a rule do not employ more than five workmen in their establishments which are subject to compulsory insurance.

If an employer fails to make in due time the reports required by this title or to furnish the prescribed data or a part thereof, and fails to supply such omission within the time, not to exceed 15 days, prescribed by the District Workmen's Insurance Fund, the latter may have the unreported data collected on the spot by its own officials, to be sent out at the expense of the employer. The costs of this proceeding, the determination whereof may be appealed from to the State Workmen's Insurance Office, shall in case of nonpayment by the employer, be collected by administrative procedure, the same as public taxes.

When provided with proper proof of authority the officials of the National Workmen's Sickness and Accident Insurance Fund or of the District Workmen's Insurance Funds, enjoy the official prerogatives of officers who enforce the industrial law in proceedings on the ground of this title.

ART. 21. The inferior officials who enforce the industrial law must inform the District Workmen's Insurance Fund of each industrial permit and license issued after this act has taken effect, according to articles 1 and 3, to establishments subject to insurance, simultaneously with the issuance thereof, stating the name of the employer, or the firm name of the establishment, as the case may be, as well as the character of establishment.

Likewise the inferior building inspectors must inform the District Workmen's Insurance Fund of all kinds of building permits granted in accordance with the building regulations.

ART. 22. With regard to the duties imposed by this act, "employer" or "proprietor" shall mean the person for whose account the establishment is conducted, and in building operations, the contractor or his authorized managing agent; in the absence of either, the owner of the building (article 46).

**ART. 23.** The District Workmen's Insurance Funds examine the reports filed with them or the data collected by their delegates in accordance with article 20 with reference to the application of compulsory insurance and, in general, with reference to the administration of sick and accident insurance, and, after making such corrections and additions as may be necessary, lay one copy of the same, with their recommendations, within the time prescribed in the constitutions, before the National Workmen's Sickness and Accident Insurance Fund.

On the basis of the said reports and investigations, the District Workmen's Insurance Funds shall keep a record of insured persons of the district, of the employers of persons subject to insurance and their establishments, likewise of the data contained in the reports and affecting insurance, as well as of the changes occurring therein.

**TITLE III.—*Payment of dues for insurance against sickness.***

**ARTICLE 24.** In insurance against sickness the dues of the insured members are assessed according to a classification of average daily wages. The classes of average daily wages are fixed in the constitution of the National Workmen's Sickness and Accident Insurance Fund and their highest rate must not exceed eight crowns [\$1.62].

The distribution of the insured members among the several classes of average daily wages is made on the basis of their actual salary or daily wages. With regard to such members as have no income, the dues are to be assessed according to the lowest class of average daily wages.

Members of the National Workmen's Sickness and Accident Insurance Fund may insure themselves at their own expense in a higher class than the wage class corresponding to their salary or wages. The National Workmen's Sickness and Accident Insurance Fund may make the admission to a higher average wage class dependent upon the favorable result of a preliminary medical examination.

**ART. 25.** The dues of the insured members must amount to not less than 2 per cent, nor more than 4 per cent of the average daily wage. The percentage rate is to be fixed by the constitution of the National Workmen's Sickness and Accident Insurance Fund. The insured members may also be charged different percentage rates, proportionate to the cost of benefits, varying with the branch and place of occupation.

If the percentage fixed is not sufficient to cover the outlays for the benefits provided by the constitution, the percentage rate must be raised, within the limit fixed in the first paragraph, in the measure necessary. If, on the other hand, the National Workmen's Sickness and Accident Insurance Fund is able to meet its obligations under its constitution and to attain its purpose at a rate of dues below the percentage fixed, the rate of dues must be reduced to the minimum percentage fixed in the first paragraph.

Within the first five years from the date on which this act is to have effect, the dues charged to employers who as a rule employ no more than 5 workmen, for their employees subject to insurance against sickness, can not exceed 2 per cent of their average daily wages, including also the dues payable by the employees.

**ART. 26.** Members of the family of a member of the fund who are living in a joint household with him, pay only one-half of the membership dues (article 56) if they have no income and voluntarily join the National Workmen's Sickness and Accident Insurance Fund.

**ART. 27.** The dues as set forth in this title and other income from sickness insurance under this act, received by the National Workmen's Sickness and Accident Insurance Fund can not be used for any other purposes, but: (a) for the benefits fixed in Title VI of this act and for the erection of medical institutions connected therewith (commitment institutions, hospitals, sanatoria, homes for convalescents); (b) for accumulating a reserve fund; (c) for covering the running expenses.

**ART. 28.** No other payments may be demanded of insured members or employers except the dues to be fixed in accordance with this title, further the fees payable according to article 17 for membership certificates and finally usual interest and collection charges in case of arrears in the payment of public cases.

**ART. 29.** Insured members who have caused damage to the National Workmen's Sickness and Accident Insurance Fund by shamming illness or otherwise wrongfully drawing benefits, may be required by the National Workmen's Sickness and Accident Insurance Fund to pay an indemnity not exceeding double their regular dues, until the damages so caused shall have been compensated. The indemnity thus to be charged is to be paid, in the case of members subject to insurance, simultaneously with their regular membership dues by the employer, who may deduct the indemnity in full from the salary or wages of the employee.



If, however, a member of the fund has damaged the same with the employer's knowledge and aid or through the employer's neglect, the employer must pay the indemnity, payable as above provided, entirely at his own cost.

Should at the time the damages have been assessed, the member be enrolled in another District Workmen's Insurance Fund the latter shall collect the indemnity simultaneously with the regular dues.

The decision of the directors of the National Workmen's Sickness and Accident Insurance Fund regarding the assessment of the indemnity may be appealed from to the State Workmen's Insurance Office.

ART. 30. The National Workmen's Sickness and Accident Insurance Fund is required to accumulate a reserve fund to cover the expenditures for sick benefits occasioned by extraordinary circumstances.

Until the reserve fund has reached the annual average sick benefit expenditure for the last five years, at least 50 per cent of the net income of the fund must be credited to the reserve fund.

A reserve fund exceeding double this sum may be accumulated only with the permission of the minister of commerce.

For a total or partial expenditure of the reserve fund permission from the State Workmen's Insurance Office is required. The amount expended must be made up in the manner set forth in paragraph 2.

The minister of commerce is empowered, upon understanding with the minister of finance, to make rules for the investment and management of the sick benefit reserve fund, which is to be accumulated through the National Workmen's Sickness and Accident Insurance Fund as well as of the accident insurance reserve fund to be accumulated in conformity with article 38, likewise the regular funds raised for the purposes of accident insurance.

#### *TITLE IV.—Classification of risks and defraying the cost of accident insurance.*

ARTICLE 31. The board of directors of the National Workmen's Sickness and Accident Insurance Fund examines the reports and data (article 23) sent to it through the District Workmen's Insurance Fund and on their final correction or completion, decides whether establishments are subject to compulsory accident insurance, and passes upon the acceptance of the applications for voluntary insurance. The board of directors keeps a record of the establishments insured against accidents, arranged by district insurance funds and branches of industry, the data whereof are made known to the proper district fund.

ART. 32. The board of directors of the National Workmen's Sickness and Accident Insurance Fund examines every change of ownership of an insured establishment or of the nature of the establishment itself which has been reported in accordance with articles 12 to 15, records the same, if it is material from the standpoint of accident insurance and informs the District Workmen's Insurance Fund thereof.

ART. 33. The National Workmen's Sickness and Accident Insurance Fund shall prepare a table of risks which shall contain the classes of accident risks and their coefficients of risk, as units of dues, and wherein the occupations and the establishments insured against accident are to be classified according to the degree of risk involved, in such manner that the relative hazards of the several classes and establishments shall be expressed by figures.

Upon the beginning of the operations of the fund, the first table of risks shall be prepared by the State Workmen's Insurance Office. The first table of risks may be modified as soon as the number of accidents occurring in the several establishments warrants a change. The National Workmen's Sickness and Accident Insurance Fund must likewise, upon consideration of the accidents which have occurred, revise the table of risks every five years, and change the same as far as seems justifiable.

The power to change the first table of risks and to prepare subsequent tables of risks rests with the general assembly of the National Workmen's Sickness and Accident Insurance Fund.

The table of risks or the changes therein, as the case may be, likewise the resolution of the general assembly, in favor of the revision thereof must be approved by the State Workmen's Insurance Office. Within 15 days from the day of the adoption by the general assembly of a resolution with regard to the table of risks, any member of the National Workmen's Sickness and Accident Insurance Fund or every employer of persons subject to accident insurance may appeal from such resolution to the same office.

Should the National Workmen's Sickness and Accident Insurance Fund fail to revise or change the table of risks within three months after the expiration of every fifth year, the revision or change shall be undertaken by the State Workmen's Insurance Office.

ART. 34. All establishments are examined by the board of directors of the National Workmen's Sickness and Accident Insurance Fund from the viewpoint of risk connected with them and classified pursuant to the table of risks prepared in accordance with the foregoing article. In case the risk of accident varies in the several parts of the same establishments, the said parts of the establishment are to be assigned to different classes of accident-risk; the board of directors of the National Workmen's Sickness and Accident Insurance Fund may, however, by agreement with the employer, enroll the establishment in one class or risk only, taking the average coefficient of risk as a basis for a tariff rate.

Should after the enrollment there come to the knowledge of the National Workmen's Sickness and Accident Insurance Fund circumstances that affect the classification of the establishment concerned pursuant to the table of risk and therewith the tariff rate of risk, the establishment may, after hearing the proprietor thereof, be transferred to a different class of risk and tariff.

The proprietor of the establishment and the proper District Workmen's Insurance Fund must be notified of the enrollment thereof.

The resolution of the board of directors of the National Workmen's Sickness and Accident Insurance Fund, whereby the establishment is transferred to a higher class of risk and tariff, has retroactive effect extending to the time when the higher risk has actually arisen.

ART. 35. If the report of a change in the establishment is delayed, the readjustment of the class of risk shall be deemed in effect from the moment when the change in the establishment took place.

However if the change in the establishment exempts the same from compulsory insurance, the obligation shall be deemed at an end only from the time the report has been received even in case the same has been delayed.

ART. 36. The tariff rate based upon the coefficient of risk, and the amount of wages paid out yearly by the employer, serve as a basis for computing the membership dues for accident insurance, for which purpose the total expenditures for accident insurance incurred by the National Workmen's Sickness and Accident Insurance Fund, exclusive of the costs of management borne by the State, but including the sums applied to the formation of a reserve-fund (article 38), are annually computed by the board of directors of the National Workmen's Sickness and Accident Insurance Fund and are apportioned and assessed among the several employers pro rata to the tariff-rates of their establishment and the wages paid out by each of them in that year.

The board of directors of the fund must communicate the statement of apportionment and assessment to the employer upon its determination.

ART. 37. An employer who regularly employs not more than five workmen in his establishment subject to compulsory insurance, likewise those who voluntarily insure themselves against accident under article 8, must pay an insurance premium in lieu of assessed costs.

The insurance premiums must be computed for each individual policy-holder and are fixed for each employee subject to insurance at 3 crowns [\$0.61] per year during the first 10 years of insurance and at 5 crowns [\$1.02] per year thereafter. The accident insurance premiums of those who voluntarily insure themselves against accident are fixed by the constitution of the National Workmen's Sickness and Accident Insurance Fund.

ART. 38. The National Workmen's Sickness and Accident Insurance Fund must accumulate an accident insurance reserve fund. There shall be appropriated for the said reserve fund a sum equal in the first year of accident insurance to 300 per cent, in the second to 200 per cent, in the third, to 150 per cent, in the fourth to 100 per cent, in the fifth to 80 per cent, in the sixth to 60 per cent, and thereafter until the eleventh year to a percentage rate, annually decreasing by 10 per cent, of the accident insurance costs apportioned and assessed during the respective year. After the eleventh year, the reserve-fund is to be increased for three years by 10 per cent of the yearly insurance charges and thereafter by 1 per cent less for every three years, until the sum applicable to the reserve fund is reduced to 4 per cent of the yearly accident insurance charges. Beginning with that time, the reserve fund is to be increased by 4 per cent of the yearly accident insurance charges and the interest on the reserve fund is to be applied toward the reduction of the accident insurance charges.

During the first 10 years of accident insurance the yearly reserve sum is payable only if the accident insurance charges of the respective year do not on the average exceed 1 per cent of the wages of the said year. In the contrary case the reserve sum chargeable to the said year becomes due only the following year, and the reserve sums of the succeeding years are to be deferred for as many years as the yearly appropriations for the reserve-fund have been suspended for during the first 10 years.

In case of urgent need and with the approval of the State Workmen's Insurance Office the interest on the reserve fund as well as the principal may be used before the

time fixed in the first paragraph; the amounts used must be refunded, however, in the manner to be determined by the State Workmen's Insurance Office.

With the approval of the State Workmen's Insurance Office the general assembly of the National Workmen's Sickness and Accident Insurance Fund may raise the appropriation for the reserve fund above the percentage rate fixed in the first paragraph.

ART. 39. The proprietors, or the entrepreneurs of building concerns conducted as a business, those building for their own use, likewise the proprietors or entrepreneurs of establishments, the principal office whereof is in a foreign country, who temporarily maintain within the territory of the Holy Hungarian Crown an establishment subject to compulsory insurance or voluntarily insured, must pay to the National Workmen's Sickness and Accident Insurance Fund, in lieu of the insurance charges of each year, an accident insurance premium proportionate to the capitalized value of the annual accident insurance pension. For this purpose temporary undertakings and building concerns may be segregated, in the general table of risks, into separate classes of risk which are to be fixed in accordance with the accident risk of the respective concern and the capitalized value of the accident pensions.

The tariff and specifications on the basis whereof the said capitalized premium payments are to be adjusted shall be fixed by the board of directors of the National Workmen's Sickness and Accident Insurance Fund, with the approval of the State Workmen's Insurance Office; the board may in any particular case modify the rules with regard to that particular establishment.

Those payments received on the ground of the first paragraph if separate classes of risks have been provided for the undertakings concerned, shall be separately administered by the National Workmen's Sickness and Accident Insurance Fund. These amounts may be used only to cover the accrued insurance charges against the establishments designated in the first paragraph, and the surplus, if any, is to be credited to the reserve fund of the National Workmen's Sickness and Accident Insurance Fund.

ART. 40. Special rules relating to the procedure to be followed in the apportionment and assessment of the cost of insurance, pursuant to this title, and in the adjustment of the capitalized premium, shall be made by the State Workmen's Insurance Office.

#### TITLE V.—*Duty of payment.*

ARTICLE 41. The dues payable to the District Workmen's Insurance Fund for sickness insurance of employees subject to compulsory insurance and the membership certificate fees are paid by the employer, when accrued, on the dates fixed in the constitution of the National Workmen's Sickness and Accident Insurance Fund. The cost is borne, one-half by the employer, and one-half by the employee; the employer may accordingly deduct the latter share from his employee's salary or wages.

If the employer has not deducted the amount chargeable to the employee and the certificate fee on the pay-day next following the maturity thereof, he may thereafter retain the said share only within one month from the said pay-day, or in case the employee is paid his salary or wages monthly, within two months.

The dues and the membership certificate fees of the persons designated in the first paragraph of article 2 are paid by the employer entirely at his own expense; he has the right, however, to stipulate in the contract with the parents or the guardian of the employee the refunding of half the dues and the whole certificate fee.

ART. 42. If, on four successive maturity dates, the employer fails to pay the dues payable according to article 41 and the same cannot be collected from him by administrative procedure, owing to lack of property, the District Workmen's Insurance Fund may restrain him from retaining the one-half of the dues and the whole membership certificate fee out of the salary or wages of the employee. In such case only one-half of the dues is payable by the employer while the other half of the dues, which is borne by the employees, as well as the membership certificate fee, are payable by them at maturity directly to the District Workmen's Insurance Fund.

The restraining order of the District Workmen's Insurance Fund must be served in writing upon the employer and all his employees and may be appealed from to the State Workmen's Insurance Office.

ART. 43. The accident insurance charges payable pursuant to Title IV for employees subject to compulsory accident insurance are borne solely by the employer; no deductions for the same may be made from the workmen's wages, nor may the charges be shifted in any other manner, partly or wholly, to the workmen.

The accident insurance dues assessed pursuant to Title IV are to be paid within 30 days counting from the service of the order made in the matter of assessment, to the District Workmen's Insurance Fund.

The National Workmen's Sickness and Accident Insurance Fund may accept from the employers advances, on account of the said dues, the rate and mode of payment whereof are to be fixed by the board of directors of the National Workmen's Sickness and Accident Insurance Fund with the approval of the State Workmen's Insurance Office.

These advances on account of accident insurance dues, likewise the accident insurance premiums to be paid pursuant to article 37 must be paid by the employer, with regard to the employees subject to compulsory insurance, in accordance with a proper apportionment, together with the dues payable for sickness insurance, according to the date of maturity and other particulars fixed for the same; they shall be paid to the District Workmen's Insurance Fund which administers the said funds in separate accounts and delivers the same to the National Workmen's Sickness and Accident Insurance Fund at the time and in the manner prescribed in the constitution.

ART. 44. Persons voluntarily joining the National Workmen's Sickness and Accident Insurance Fund must pay in advance to the District Workmen's Insurance Fund, the dues payable for sickness insurance, the membership certificate fee and in case the voluntary insurance extends also to accidents, likewise the accident insurance premiums, on the dates fixed in the constitution of the National Workmen's Sickness and Accident Insurance Fund. To such dues and premiums the employer is not required by the present act to contribute, at his own expense.

If the employer himself, however, reports to and insures in the National Workmen's Sickness and Accident Insurance Fund, his employees, not subject to compulsory insurance, the employer is liable for the payment of the dues and certificate fees and in case of accident insurance for the payment of accident insurance premiums but he retains the contractual right, as against his employees, of deducting the dues, membership certificate fees and accident insurance premiums so paid in.

ART. 45. The minister of commerce is empowered upon understanding with the minister of the interior and the minister of finance, to determine and regulate by executive order, the manner in which payment of the dues and premiums for sickness and accident insurance may be made at the Royal Hungarian Postal Savings Bank, or to and through the communes.

ART. 46. The sickness insurance dues payable for members subject to compulsory insurance, as well as for those voluntarily insured by the employer, and the membership certificate fees, as well as the accident insurance dues and premiums are collected, in case of non-payment, by administrative procedure the same as public taxes. Should a change in the person of the employer occur, that employer is liable for the arrears of sickness and accident insurance dues and membership certificate fees who is the proprietor of the establishment at the time of assessment, or at the time when the change in the person of the employer has come to the knowledge of the National Workmen's Sickness and Accident Insurance Fund or of the District Workmen's Insurance Fund, or, in case of collection by administrative procedure, at the time when administrative execution is levied.

In temporary building concerns (article 39), in case the amount due cannot be collected from the contractor, the builder or the person by whom the work has been ordered shall be liable for the insurance charges due for the employees in such temporary concerns or works.

Arrears of sickness insurance dues and certificate fees, likewise assessed accident insurance dues and accident insurance premiums are barred by limitation after five years, counting from the date of assessment. For unassessed accident insurance dues the employer is liable within three years counting from the time when the liability has arisen. The supplementary assessment is based on the tariff rates for risks corresponding to the condition of the establishment at the said time, the amount of dues which was then chargeable, as well as the total accident expenditures of the fund for that year.

Uncollectible accident insurance dues and premiums are borne jointly by the whole body charged with the payment of the same and must be apportioned accordingly at the next assessment.

ART. 47. In bankruptcy proceedings, the claims of the National Workmen's Sickness and Accident Insurance Fund for sickness insurance dues shall be ranked in the same class with the claims comprised in subdivision 1 of article 60, Act XVII, 1881, or, for Croatia-Slavonia with those comprised in subdivision 1 of article 50 of the Bankruptcy Act of March 28, 1897, and the accident insurance dues and premiums with those comprised in subdivision 3 of the respective articles.

ART. 48. For the time during which an insured member is disabled through sickness, neither he nor his employer is required to pay the sickness insurance dues.



**ART. 49.** Contracts entered into between an employer and an employee or the parents or guardian of the persons designated in the first paragraph of article 2, in contravention of the provisions contained in article 29 and this title are prohibited and void, in so far as they are prejudicial to the employee.

**TITLE VI.—*Sick benefits.***

**ARTICLE 50.** Members subject to compulsory insurance against sickness and those voluntarily insured are entitled to receive, in case of sickness, at least the following benefits from the National Workmen's Sickness and Accident Insurance Fund:

(1) free medical treatment (article 133) during sickness for at least twenty consecutive weeks; in confinement cases free services of a midwife, and medical treatment as well;

(2) medicines, baths, medicinal waters and necessary therapeutical appliances (eyeglasses, crutches, trusses, artificial legs, etc.) for twenty weeks, likewise free of charge;

(3) in case the sickness is attended with disability and lasts more than three days, sick benefits from the first day of falling sick throughout the period of disability, not to exceed twenty weeks, to wit: one-half the amount adopted as the average daily wages in computing the insurance dues (article 24);

(4) women lying-in, a confinement benefit in an amount equal to the sick benefit provided in subdivision 3, for the term of six weeks from the day of delivery;

(5) uninsured family members having no gainful occupation and living in common household with the insured, free medical treatment, medicines, and the necessary therapeutical appliances for twenty weeks, moreover, in confinement cases the necessary services of a midwife and medical treatment;

(6) in case of death, a funeral benefit of twenty times the amount of the average daily wages used as a basis in computing the deceased member's dues (article 24).

The benefits the insured members are entitled to according to this article or article 51, are to be furnished by the District Workmen's Insurance Fund in the amount fixed in the constitution of the National Workmen's Sickness and Accident Insurance Fund and in the manner provided therein, as well as in the constitution of the district fund.

**ART. 51.** The National Workmen's Sickness and Accident Insurance Fund may, according to its available resources, offer its insured members even greater benefits than those enumerated in the preceding article, provided however:

(1) that the sick or confinement benefit shall not exceed 75 per cent of the average daily wages used as the basis for computing the dues (article 24);

(2) that the sick benefits shall not extend beyond the period of one year;

(3) that the funeral benefit shall not exceed forty times the amount of the average daily wages used as the basis in computing the deceased member's dues;

(4) that the confinement benefit prior and subsequently to the delivery may be allowed at most for eight weeks;

(5) that in case of death in the family of the insured person, a funeral benefit not exceeding the sum fixed in subdivision 6 of article 50, may be granted.

No sick benefits greater or other than these may be offered by the National Workmen's Sickness and Accident Insurance Fund; more particularly can it not, without special enactment, enlarge its scope of action to include the care or support of invalids, widows and orphans.

In the resolution of the general assembly authorizing in accordance with this article, an increase of the benefits provided in article 50, the means for this purpose must be indicated, and in case the cost of the higher benefits can not be defrayed from the income heretofore available, the percentage rate of the dues must simultaneously be increased as far as necessary.

**ART. 52.** A member who has intentionally caused his own sickness can claim no sick benefits. Sick benefits as well as the confinement benefit may also be withdrawn in case the sick member intentionally disobeys the orders of the physician and thereby delays his or her recovery.

Likewise a member's relative who has intentionally caused his own sickness or death shall receive no benefit.

**ART. 53.** A female member who can not prove that she had been a member of the fund for at least three months in the aggregate during the year preceding her admission to the National Workmen's Sickness and Accident Insurance Fund, may claim the confinement benefit, only in case the delivery occurs after three months of uninterrupted membership in the National Workmen's Sickness and Accident Insurance Fund.

**ART. 54.** If after drawing the full confinement benefit the member still remains disabled, she is entitled to a sickness benefit for the further period of disability (subdivision 3, article 50).

**ART. 55.** The sick benefit and the confinement benefit are payable in weekly installments at the end of every week, the funeral benefit on the day following the death at the latest.

Likewise in the case when a member is isolated by the authorities owing to an infectious or contagious disease dangerous to the community, particularly plague, cholera, smallpox and typhus, and as a result loses his income, sick benefits are to be paid during the period of isolation, not to exceed, however, twenty weeks and, in the latter case, in the amount fixed in subdivision 3 of article 50. In such case, however, the National Workmen's Sickness and Accident Insurance Fund acting within the province of Act XXI of 1898, may claim the reimbursement of its expense for sick benefits from the National Sick Provident Fund.

The sick benefit is payable to the member entitled to the same; if, however, the insured member receives throughout his sickness lodging and full maintenance with his employer, the sick benefit shall, with the consent of the beneficiary, be paid to the employer.

In case the insured members can not obtain free medical treatment and medicines, the sick benefits due them are to be raised to double the amount.

**ART. 56.** Of the family members insured pursuant to article 26, the only beneficiary is the wife of the member subject to compulsory insurance living in common household with him.

**ART. 57.** The minimum amount to be allowed as funeral benefit is to be fixed in the constitution of the District Workmen's Insurance Fund.

The funeral benefit is to be paid to the consort or in the absence of one, to the heirs of the deceased member. If other persons have provided for the member's burial, such persons, with the exception of public bodies, must be reimbursed for the actual cost of the funeral, not to exceed the amount of the funeral benefit. If the deceased member has no relatives, the District Workmen's Insurance Fund may itself take care of the deceased member's interment, the expense not to exceed the amount of the funeral benefit.

**ART. 58.** In lieu of the benefits provided in subdivisions 1-5 of article 50, the National Workmen's Sickness and Accident Insurance Fund may offer hospital care, to wit:

(a) To a patient who lives together in matrimonial union or in common household with a member of his family or can, on any other ground, receive sufficient home care, only if he consents to be treated in a hospital or if the disease is contagious or of such nature as to require hospital care, or, finally, if the member does not comply with the orders of the physician and thereby delays his recovery;

(b) To other patients unconditionally.

Free hospital care and maintenance includes also the patient's conveyance to the hospital free of charge.

**ART. 59.** For the period of 4 weeks the cost of care and maintenance of the sick kept in hospitals, public or vested with public rights, as well as in university clinics and national training schools for midwives, is chargeable at the rate of the lowest class to the National Workmen's Sickness and Accident Insurance Fund; after the said period, in case the Fund offers hospital care and maintenance in lieu of the benefits provided in article 50, subdivisions 1-4, to the member who has been transferred to a hospital, whether public or one vested with public rights, only the sick benefit to which he would be entitled, if attended at home, is to be paid to the hospital for the further period of hospital care, not to exceed, however, the period for which assistance is allowed by law or by the constitution.

The costs of care and maintenance in private hospitals and medical institutions are to be paid by the National Workmen's Sickness and Accident Insurance Fund, according to arrangement to be made beforehand for that object.

In addition to free hospital treatment, in case the member taken to the hospital has dependents whom he has hitherto supported out of his earnings, one-half of the sick benefit to which he would be entitled if attended at home must be paid to his dependents, as long as he is treated in the hospital.

Members, who have left the hospital and do not reside where the hospital is located, must be provided by the National Workmen's Sickness and Accident Insurance Fund with money for traveling expenses, the amount whereof must not exceed one week's sick benefit.

If members do not avail themselves of a physician who has accepted the terms of the District Workmen's Insurance Fund, or apply to pharmacies, or hospitals, whether public or vested with public rights, or private hospitals or medical institutions with which the National Workmen's Sickness and Accident Insurance Fund has made no



previous arrangement regarding the treatment and maintenance of its members, the costs resulting therefrom, except in cases of proven urgency, are not chargeable to the National Workmen's Sickness and Accident Insurance Fund.

ART. 60. Membership and with it the title to sick benefits begins for members subject to compulsory insurance, on the day they enter the employment in question, for voluntary members, on the day their application for admission has been accepted.

With members subject to compulsory insurance, the right to sick benefits arises likewise on the day they enter employment, if no report of their employment has been made through the employer's carelessness or any other default.

With members subject to compulsory insurance, membership and, with it, the right to sick benefits expires on the day on which they leave employment; with voluntary members, when they leave the domains of the Holy Hungarian Crown or fail to pay the sick insurance dues on two consecutive dates of maturity after the same have become due according to the constitution.

If, within 4 weeks from the second defaulted payment date, the voluntary member pays the total dues which have matured up to that date, his membership and benefit rights renew without medical examination. Likewise, in case a member subject to compulsory insurance, after leaving an employment requiring such insurance, pays within 4 weeks thereafter, at his own cost, the dues matured until then, he stays, without medical examination, as a voluntary member of the National Workmen's Sickness and Accident Insurance Fund, so long as he remains within the domains of the Holy Hungarian Crown and pays his dues on maturity according to the constitution.

ART. 61. A member who has been insured in the National Workmen's Sickness and Accident Insurance Fund in all at least six months within one year, and is unable, owing to unemployment, to pay his membership dues, is nevertheless entitled to the lowest legal rate of sick benefit (article 50) for the period of three weeks after leaving the National Workmen's Sickness and Accident Insurance Fund, if sojourning within the dominion of the Holy Hungarian Crown; and for the term of six weeks, if he has been insured for at least 12 months in the course of 2 years. In computing said periods of insurance all periods of insurance prior to the time this act is to take effect are likewise to be included.

If a member is called to the statutory annual military drill, his membership is in no case terminated thereby; during the period of military drill, such a member has no dues to pay, nor is he entitled to any benefits during military service; after discharge from military service, however, the member's right to benefits revives even regarding sickness contracted in military service.

ART. 62. All claims to sick, confinement and funeral benefits are barred by limitation if not presented within one year from maturity.

ART. 63. A funeral benefit for a member who has received sick benefits during the period fixed by law or the constitution, as the case may be, is payable only in case his death has resulted from the sickness, during which the said member has received benefits, and has ensued within two years from the discontinuance of the sick benefits.

ART. 64. Members who have received the full benefits accorded by law or the constitution are entitled to further benefits in consequence of the same sickness only when they have been at work or able to work for at least 8 weeks after the discontinuance of the benefits and have during that time been members of the National Workmen's Sickness and Accident Insurance Fund.

If, on the other hand, the member has not received the full benefit accorded by law or the constitution and suffers a relapse into the same disease within 4 weeks after the discontinuance of the benefits, the beginning of the period of renewed benefits is computed from the first attack of the disease.

ART. 65. No one may be insured against sickness in the National Workmen's Sickness and Accident Insurance Fund more than once; even if cumulative insurance does occur, the National Workmen's Sickness and Accident Insurance Fund may accord the member but a single money benefit.

ART. 66. In case at the time of falling sick an employee subject to compulsory insurance is temporarily staying beyond the domains of the Holy Hungarian Crown, the benefit due him from the National Workmen's Sickness and Accident Insurance Fund, under the present act, must be paid to him by his employer.

The employer may claim from the Fund the reimbursement of the benefits actually paid and proved.

A cash allowance may be paid in lieu of the benefits mentioned in subdivisions 1 and 2 of article 50, not to exceed the amount of the sick benefit payable for the member.

Aliens may claim for their dependents residing abroad, the benefits provided in this title only, in case the foreign State to which they owe allegiance follows the same course toward Hungarian subjects there insured.

**ART. 67.** Sick benefits due the insured person from the fund, pursuant to this act or the constitution of the National Workmen's Sickness and Accident Insurance Fund may not be assigned, pledged, seized by judicial writ, or withheld in satisfaction of a debt. All dispositions and transactions whereby the insured person waives wholly or in part the benefit due him according to the provisions of this act or the constitution of the National Workmen's Sickness and Accident Insurance Fund, are void.

Nevertheless, in case a member has injured the Fund through shamming illness or in any other way, the National Workmen's Sickness and Accident Insurance Fund may deduct the equivalent of the benefits wrongfully received or of the damage otherwise caused, in so far as restitution for the same can not be secured in the manner prescribed in article 29, likewise the unpaid share of the assessments payable by the employee in the case, contemplated in article 42, from the sick, confinement or funeral benefits which may be due him by reason of a subsequent sickness. The deduction may not exceed, however, one-fourth of the daily sick benefit money or of the confinement benefit and one-half of the funeral benefit.

In the case mentioned in the last paragraph of article 55, the fee for medical treatment and the price of medicines delivered, not to exceed one-half of the double sick benefit, may be paid directly to the attending physician and the pharmacy; the balance, if any, of said one-half of the double sick benefit, accrues to the National Workmen's Sickness and Accident Insurance Fund.

**ART. 68.** If the National Workmen's Sickness and Accident Insurance Fund has furnished its members such benefits as ought to have been furnished by another, the claims of the fund for reimbursement are to be prosecuted according to the legal provisions relating thereto.

If the employer or his authorized agent has wilfully caused the sickness, the employer concerned is liable in damages to the National Workmen's Sickness and Accident Insurance Fund for the benefits accorded by the latter.

If the sickness is traceable to the failure of the employer or his authorized agent for whose actions he is responsible by reason of the trust reposed by him in said agent, to carry out the measures of protection lawfully prescribed by the authorities,—the employer is obliged to reimburse the National Workmen's Sickness and Accident Insurance Fund for the expenses resulting from the sickness and for the costs of the proceeding. If the authorized agent has been guilty of such negligence within his ordinary scope of employment, contrary to the employer's directions, the liability for damages attaches solely to the authorized agent.

If the insured person has a claim for damages arising from his sickness against other persons, such claim, to the extent of the benefits accorded, passes to the National Workmen's Sickness and Accident Insurance Fund.

The claims of the National Workmen's Sickness and Accident Insurance Fund against the employer or his authorized agent under this article, must be prosecuted by ordinary judicial remedies and are barred by limitation after two years from the beginning of the sickness.

#### *TITLE VII.—Accident benefits and pensions.*

**ARTICLE 69.** The object of accident insurance under the provisions of this title is compensation for the damages caused by personal injuries sustained by, or the death of the insured person, in consequence of an industrial accident or an accident designated in article 9 of this act.

Compensation under the provisions of this title, may be claimed by all workmen subject to compulsory accident insurance, according to article 3, to wit: for the time from entering until leaving employment, furthermore by those voluntarily insured according to article 8, likewise by the dependents of persons subject to compulsory insurance or voluntarily insured, during the term of insurance.

**ART. 70.** The insured person is entitled to the following compensations for an accident resulting in personal injuries:

(1) Free medical treatment, medicines, and therapeutical appliances in the manner provided in subdivisions 1 and 2 of article 50, beginning with the eleventh week after the occurrence of the accident;

(2) A pension during the time of disability or reduced capacity for work, beginning with the eleventh week, or, if the payment of sick benefits mentioned in subdivision 3 of article 50 has been discontinued, then from the time of the discontinuance of sick benefits.

The full compensation in case of total disability and for the period thereof, amounts to a pension of 60 per cent of the insured person's yearly earnings; in case of partial impairment of his capacity for work and during the period thereof, to a fraction of the full pension in proportion to the lost capacity for work.

Such partial compensation, however, may be claimed by the injured person only in case the impairment of his capacity for work exceeds 10 per cent.

Should a further accident occur to an insured person already receiving a partial pension, the compensation must be adjusted with regard to the combined effect of all accidents and on the basis of the earnings whereon the first pension has been computed, except when the earnings of the injured person were higher at the time of the later accident.

If, as a result of the accident, the insured person has been not only totally incapacitated for work but has also become helpless in such a manner as to need constant attendance or care, his pension, while such helplessness continues, must be raised to the full amount of the yearly earnings used in computing the compensation.

ART. 71. If, in consequence of the accident, the insured person has died, there shall be allowed in addition to the compensation provided by article 70, and regardless of the time when death ensued,

- (1) a funeral benefit, in an amount to be fixed according to Title VI of this law;
- (2) a pension payable to the dependents of the deceased from the day of his death, in accordance with articles 72-77.

If an insured person receiving a partial pension dies in consequence of a further accident, the pension to his dependents is to be adjusted on the basis of the earnings whereon the first accident pension was computed, unless the earnings of the insured person were higher at the time of the later accident.

ART. 72. The pension to the surviving widow, until her death or remarriage, amounts to 20 per cent of the annual earnings of her husband, his death being caused by accident.

The pension to a surviving widower whose wife was insured and supported him owing to his partial or total disability, amounts, during his incapacity for work, to 20 per cent of the annual earnings of his wife, her death being caused by accident.

The pension to each of the surviving children until he or she becomes sixteen years of age, irrespective of the child's legitimate or illegitimate descent, likewise the pension to each of the children legally adopted before the occurrence of the accident, amounts to 15 per cent of the annual earnings of the person who died in consequence of the accident; if they are left total orphans or become such later, then to 30 per cent of said earnings.

After the death of a person who married after the accident, the widow or widower, as the case may be, is entitled to compensation only in case legitimate or legitimated children have descended from such marriage.

A widow enjoying a pension receives in case of remarriage 60 per cent of her deceased husband's annual earnings, as a settlement.

A wife who was legally divorced from her husband or has lived separately from him for a year or more immediately preceding his death, may claim a compensation only in case she is entitled to alimony under a decree of the court. In such a case a pension equal to the full amount of the alimony shall be paid.

If the children are left total orphans or subsequently become such and both their parents were insured, the pension shall be based upon the earnings of the parent whose earnings were higher.

The children of an insured person whose consort did not live in common housekeeping with him or her and does not take care of the children, are to be considered total orphans for the purpose of fixing their pension after the insured parent's death resulting from an accident.

When children drawing a pension are maintained in a public institution at public expense, their pension for the time they are so maintained shall be accumulated for their benefit.

For the purpose of continuing their studies, children drawing a pension may be allowed a pension or assistance even after becoming sixteen years of age.

ART. 73. Parents and grandparents who were supported mainly by the person who died in consequence of the accident, receive in the aggregate a pension equal to 20 per cent of the yearly earnings of the deceased, until their death or as long as they are dependent.

Totally orphaned grandchildren, who were supported mostly by the person who died in consequence of the accident, receive in the aggregate a pension equal to 20 per cent of the yearly earnings of the deceased, until they attain the age of sixteen years.

ART. 74. The pensions of the survivors can not exceed in the aggregate 60 per cent of the yearly earnings of the deceased. If the total sum of the pensions exceeds that amount, the consort's and children's pensions must be reduced pro rata. Parents and grandparents have claims only in case or as long as the pensions of the surviving consort and children do not reach the maximum limit. Grandchildren only in case or as long as the widow, children, parents and grandparents do not claim the full amount of the pension. Parents are entitled to pension in preference to grandparents.

**ART. 75.** If an insured person, injured in consequence of an accident, has intentionally caused the accident he forfeits all claims to compensation for such injuries. Should, however, the injured person die, his dependents are entitled to the legal benefits and pensions even in such a case.

On the contrary, if the accident has been wilfully caused by a dependent of the insured person who was killed or injured, the said dependent in case of the death of the insured person, forfeits all his claims, if any, to compensation even if the death resulting from the accident has ensued only later.

**ART. 76.** If the dependent, entitled to a claim under the provisions of articles 71-74, departs to a foreign country, his pension is suspended until his return. Should he return within 3 months for permanent residence, the suspended installments of his pension must be paid to him.

If the dependent, entitled to a claim, departs to a foreign country for permanent residence, the National Workmen's Sickness and Accident Insurance Fund may, in cases deserving consideration, allow him a settlement of an amount equal to one year's pension.

If such a dependent returns to the dominion of the Holy Hungarian Crown, his pension claim revives likewise in this case. The amount of the one year's pension paid to him must be deducted, however, from the pension payable to him after his return. The deduction is made in installments and must not exceed one-half of the current pension.

**ART. 77.** The dependents of a foreign subject, who has died in consequence of an accident and was insured pursuant to the provisions of this act, if they permanently reside in a foreign country at the time of the accident, are entitled to compensation only in case the State to which they owe allegiance follows the same course toward the dependents of a Hungarian subject insured and deceased in that country if such dependents reside in the dominion of the Holy Hungarian Crown.

When the dependents of an alien who are drawing a pension depart to a foreign country for permanent residence, they are entitled to a settlement equal to three times the amount of their annual pension; if they return they have no further claims to a pension. In other respects the pension claims of such foreign subjects are conditioned upon reciprocity.

**ART. 78.** The compensation is based upon the wages which the injured person has drawn during the 52 weeks preceding the accident in an establishment subject to compulsory insurance. If he was not employed throughout 52 consecutive weeks preceding the accident in an establishment subject to compulsory insurance, the yearly income is to be computed on the basis of the average earnings for the weeks spent by him at work; or if it be impossible to determine the average weekly earnings accordingly, the yearly income is taken to be equal to three hundred times the average daily earnings for those working days on which the injured person has actually been at work during the year preceding the accident, provided, however, that the annual earnings determined in this manner must not be less than the customary average annual earnings of these employees who have at the same time performed the same work in the same establishment or in neighboring establishments. In determining the average daily earnings in seasonal industries, account is to be taken of the actual working days only.

Accidental interruptions of business or reduction of the scale of operation should be disregarded.

Concerning apprentices, students and other persons who by reason of uncompleted training are paid no salary or wage whatsoever, or less than the customary rate, their yearly income is taken to be equal to three hundred times the average daily wages determined in the second paragraph of article 24. In all cases of repeated accidents the full rate of the average daily wages is to be taken as a basis for computing the compensation of such employees.

**ART. 79.** The medical treatment of an injured person, insured against accident, for the whole time until his complete recovery, even extending beyond the eleventh week following the accident, is provided for by the District Workmen's Insurance Fund or by the establishment fund, as the case may be, but all the expenses incurred by the same for medical treatment beyond said period are charged to the account of the National Workmen's Sickness and Accident Insurance Fund.

In all cases the funeral benefit payable for an insured person who died in consequence of an accident is to be charged to the last mentioned account.

**ART. 80.** In cases where medical treatment is applied for by an injured person who is not insured against sickness under the provisions of article 1 of this act, the sick benefit fixed in subdivision 1 of article 70 shall likewise be allowed; in such case, however, the employer must refund to the National Workmen's Sickness and Accident Insurance Fund the value of the benefits furnished from the day of the accident to the end of the tenth week.



**ART. 81.** If the employer or his authorized agent has wilfully caused the accident, he is liable to the National Workmen's Sickness and Accident Insurance Fund for the compensation allowed by reason of the accident and all costs growing from this matter.

If the accident is traceable to the failure of the employer or his authorized agent, for whose actions he is responsible by reason of the trust reposed by him in said agent, to carry out the measures of protection lawfully prescribed by the authorities, or to provide the safeguard appliances thus prescribed, then the employer is obliged to reimburse the National Workmen's Sickness and Accident Insurance Fund for the benefits accorded as a result of the accident and for all the expenses incurred in the matter. If the authorized agent has been guilty of such negligence within his ordinary scope of employment, contrary to the employer's directions, the liability for damages attaches solely to the authorized agent.

In such cases the fund may demand the capitalized value of the benefits granted.

The claims of the National Workmen's Sickness and Accident Insurance Fund under this article are to be prosecuted by ordinary judicial remedies and are barred by limitation after two years from the day of the accident.

**ART. 82.** Insured persons or their survivors enumerated in articles 71-73 of this act, even in case the latter are not entitled to compensation under the provisions of this act, may recover damages from the employer or his authorized agent, if it has been established by a valid sentence of a criminal court that the employer or his authorized agent for whose actions he is responsible by reason of the trust reposed by him in said agent, has caused the accident purposely, or through negligence, as defined in the second paragraph of article 81.

In such cases, however, the amount of recovery is limited to the excess of the damages adjudged by the court over the compensation due the insured person or his survivors on the basis of this act.

Except in the cases provided for in this article, the employer or proprietor of the establishment is not liable to persons subject to compulsory insurance according to this act or to their dependents for damages resulting from an accident.

If the insured person or his dependents have a claim for damages resulting from the accident, against third parties, such claim, to the extent of the accident benefits and compensation accorded, passes to the National Workmen's Sickness and Accident Insurance Fund.

**ART. 83.** The claim for damages mentioned in article 82 may be enforced by a civil suit, even without a valid sentence of a criminal court, in case, for some reason relating to the person guilty of the accident, it has been impossible to establish malice or negligence by a criminal action.

#### **TITLE VIII.—*Reports of accidents, inquiry into the accident and compensation proceedings.***

**ARTICLE 84.** The employer or his authorized agent must report within 24 hours all accidents coming to his knowledge and occurring in establishments insured against accident in accordance with this act to the inferior police authority having jurisdiction of the locality within which the establishment is situated and to the District Workmen's Insurance Fund, the report to the latter to be made on blank forms furnished by the fund for this purpose.

The employer is held responsible for any neglect of his authorized agent in making the report.

Whenever an accident comes to his knowledge, the employer or his authorized agent must immediately call in a physician who must state in the report to be made of the accident, whether in his opinion the injury is likely to result in death or what is the probable length of medical treatment it will require.

The duty of making reports which is specified in article 7 of Act XXVIII, 1893, is hereby repealed regarding the establishments mentioned in the first paragraph.

**ART. 85.** The competent inferior police authority must as speedily as possible investigate with the assistance of a physician every accident which, by virtue of the preceding article has come to its knowledge and is likely, under the provisions of this act, to involve a claim for compensation or which the board of directors of the National Workmen's Sickness and Accident Insurance Fund or of the District Workmen's Insurance Fund request it to investigate.

Proper notice of the time of the inquiry must be served on the employer, the injured person or in case of fatal accident, the latter's next of kin, the workmen's insurance fund of the proper district, and the royal district factory inspector, in order that they may participate in the inquiry in person and the District Workmen's Insurance Fund through a representative.

The physician attending the injured person, as well as other experts, may also be called to the inquiry. The injured person has the right to be represented at the inquiry.

In addition to the personal description of the person killed or injured, the inquiry must also ascertain the following facts:

- (1) The time and cause of the accident;
- (2) the nature of the injury and its consequences;
- (3) the negligence of the employer, or his authorized agent, or of the injured person, or of third parties.

The National Workmen's Sickness and Accident Insurance Fund must bear the costs of such inquiries as have been especially demanded by the National Workmen's Sickness and Accident Insurance Fund or the District Workmen's Insurance Fund.

The minutes of the inquiry made into the accident are to be sent within 8 days by the police authority conducting the same to the workmen's insurance fund of the proper district; the latter, on its part, supplements the information obtained at the inquiry with duly ascertained data regarding:

(a) Prior bodily defects of the injured person and the consequences of former accidents;

(b) the earnings of the person killed or injured (article 78);

(c) the dependents of the person killed or injured who have a claim under this act (articles 71-73) and

(d) the pension, if any, drawn by the person killed or injured in consequence of former accidents, and its amount.

ART. 86. Accidents occurring on a journey or outside the place where the establishment is located are to be reported, within twenty-four hours by the physician rendering the first aid, to the inferior police authority within whose territory the accident has happened or where the injured person received the first medical aid after the accident.

In such cases the District Workmen's Insurance Fund having jurisdiction of the district wherein the establishment is located is to be notified of the accident by the said police authority.

The same police authority also proceeds in such cases with the inquiry prescribed in article 85.

ART. 87. The procedure regarding reports of and inquiries into accidents occurring outside the dominion of the Holy Hungarian Crown, to persons insured under the provisions of this act, is regulated by the minister of commerce by executive order.

ART. 88. Upon the minutes presented by the police authority and the report filed by the employer, the District Workmen's Insurance Fund, within the scope of its jurisdiction fixed in this act and to be more particularly defined in the constitution of the National Workmen's Sickness and Accident Insurance Fund, provides for:

(a) The computation and granting of the sick benefits pursuant to subdivision 1 of article 70;

(b) for the computation and payment of the funeral benefit;

(c) for the computation and payment of temporary pensions (article 93).

Permanent pensions are determined and their payment ordered by the board of directors of the National Workmen's Sickness and Accident Insurance Fund.

The District Workmen's Insurance Fund or the board of directors of the National Workmen's Sickness and Accident Insurance Fund, as the case may be, must make a decision regarding the compensation without delay and, must more particularly in case of injury coupled with disability or reduced capacity for work, within such time that upon the discontinuance of the sick benefits (subdivision 3, article 50) the injured person may immediately draw the first installment of his pension.

If the permanent disability of the injured person or the degree of the impairment of his capacity for work can not be definitely ascertained, likewise if the injured person is in need of further medical treatment (subdivision 1, article 70), he must be allowed a temporary pension.

To make a decision regarding compensation, which is to be determined on the basis of a certificate from the physician attending the injured person and the physician of the District Workmen's Insurance Fund, one-third of the directors of the National Workmen's Sickness and Accident Insurance Fund or of the District Workmen's Insurance Fund, as the case may be, must be present. Should there be no quorum, a new meeting must be held within eight days, which is competent to act irrespective of the number of members present.

ART. 89. The person entitled to compensation or his authorized agent, if his claim has not been settled in the aforementioned way, may enforce the same by filing notice with the board of directors of the National Workmen's Sickness and Accident Insurance Fund or with any district workmen's insurance fund.



The notice must be filed within one year after the occurrence of the accident or within the six months next following the date of death, if death has ensued later in consequence of the accident.

A notice filed after the expiration of the term mentioned in the second paragraph, not later than within two years, however, may be considered only upon satisfactory proof furnished by the claimant that the consequences of the accident could be ascertained only after the expiration of the one year period.

If such notice has not been filed with the District Workmen's Insurance Fund having jurisdiction of the place of the accident, it must be transmitted to the same forthwith, whereof the claimant is to be informed.

ART. 90. If the board of directors of the National Workmen's Sickness and Accident Insurance Fund find that the reported accident warrants no claim to compensation, they inform the claimant or claimants and the District Workmen's Insurance Fund of their decision to that effect stating at the same time the reasons therefor.

An appeal from this decision may be taken, within three months from the service thereof, through the workmen's insurance fund of the proper district, to the court of arbitration.

ART. 91. In rendering decision upon a claim for compensation the board of directors of the National Workmen's Sickness and Accident Insurance Fund determine also the measure of compensation.

The decision in the matter must be served upon the claimant or claimants, and it must state the amount of compensation as well as the calculation underlying the same; in case of disability or impairment of the capacity for work it must also state the degree of disability taken as the basis of compensation.

An appeal from the decision of the board of directors may be taken within three months from the service thereof, through the workmen's insurance fund of the proper district to the court of arbitration.

The decisions of the District Workmen's Insurance Fund concerning sick benefits and temporary pensions may be likewise appealed from through the fund to the court of arbitration.

An appeal does not operate as a stay.

If the District Workmen's Insurance Fund or the National Workmen's Sickness and Accident Insurance Fund delays without sufficient reason its decision upon a claim, the claimant may enforce his claim by applying directly to the court of arbitration. If the court of arbitration finds there is unreasonable delay, it may set a definite time within which a decision must be rendered by the fund; such order is not appealable. If the fund fails to render a decision within the prescribed time, the court of arbitration renders a decision upon the merits of the case.

ART. 92. The employers are obliged, when required by the National Workmen's Sickness and Accident Insurance Fund or the District Workmen's Insurance Fund, to supply within eight days the data required by said fund for the purpose of fixing the compensation.

If the employer fails to furnish the data required of him, within five days after a renewed request addressed to him, the National Workmen's Sickness and Accident Insurance Fund or the District Workmen's Insurance Fund has the right to send its own officer at the expense of the defaulting employer to his place of business and thus procure the necessary data, and the employer must supply the said officer with the required data. The last paragraph of article 20 is applicable likewise to the said officers.

ART. 93. The District Workmen's Insurance Fund must report to the board of directors of the National Workmen's Sickness and Accident Insurance Fund each case wherein a temporary pension has been allowed by them under the provisions of article 89.

In case the deceased was insured against sickness, funeral benefits are to be paid within the time fixed in article 55; in other cases, within 24 hours after the rendering of the decision in the matter; pensions are to be paid monthly in advance.

The person entitled to draw a pension must every time produce proof that he is alive by a certificate from the communal authorities.

The refunding of a pension duly paid out can not be demanded.

The installments of pensions are barred by limitation after one year from their maturity.

The minister of commerce is empowered upon understanding with the minister of the interior and the minister of finance, to make rules, by executive order, for the payment of pensions and benefits through the offices of the Royal Hungarian Postal Savings Bank and of the officials of the communes.

ART. 94. If the condition of the injured person drawing a pension has undergone a change which may affect the determination of the compensation, he has the right,

within three months from such change, to apply to the board of directors of the National Workmen's Sickness and Accident Insurance Fund or to the District Workmen's Insurance Fund, as the case may be, for a re-examination of his condition and for the re-opening of the compensation proceedings on the ground thereof.

The re-opening of the compensation proceedings may also be ordered by the board of directors of the National Workmen's Sickness and Accident Insurance Fund within 3 months after receiving information concerning the change mentioned in the first paragraph. In such case the pensioner is obliged to comply with the order of the National Workmen's Sickness and Accident Insurance Fund for the examination of his condition under penalty of forfeiting the pension received by him.

The provisions of article 91 of this act are likewise applicable to the new proceeding.

The new decision whereby the pension is discontinued, reduced or increased takes effect one month after the service thereof on the pensioner.

An appeal from such a decision does not operate as a stay.

ART. 95. The right to draw a pension is suspended:

(1) In case the pensioner is punished with the loss of liberty for a term exceeding one month or is confined in a reformatory, during the term of such penalty or confinement in the reformatory. In the former case those relatives who may claim compensation in case of his death (articles 71-73), receive, during the term of his imprisonment, the pension to which they would be entitled in case of the injured person's death;

(2) in case the injured person receiving the pension departs from the country, until his return; if the injured person returns within 3 months for permanent residence, the pension installments withheld are to be paid to him;

(3) if the pensioner is a foreigner and returns to his own country for permanent residence, his pension must nevertheless be continued, if the State to which he owes allegiance observes the like rule toward Hungarian subjects.

ART. 96. In case of partial impairment of the capacity for work, the injured person receiving a pension, if the same does not exceed 20 per cent of the full compensation (article 70), may make application for the payment of the capitalized value of his pension as a settlement.

The schedule for the computation of the capitalized value of pensions is furnished by the State Workmen's Insurance Office.

The application for the payment of the capitalized value may be granted by the board of directors of the National Workmen's Sickness and Accident Insurance Fund only after a preliminary medical examination regarding the probable duration of the injured person's life and, if the result of such examination be satisfactory, only with the approval of his application by the authorities of the commune or the permanent place of residence of the pensioner.

Before opening the proceedings regarding the payment of the capitalized value, the person applying for such settlement must be warned that in case of settlement he will have no claim to further compensation even if his condition should subsequently become considerably worse in consequence of the accident for which compensation has been received by him.

The decision of the board of directors is final and is to be communicated in writing to the person applying for the settlement through the workmen's insurance fund of his district. If the person applying for a settlement declines to accept the capitalized value tendered to him, he continues to receive his compensation thereafter in the form of the pension previously received.

ART. 97. Regarding the claims to which the insured person is entitled, in consequence of an accident, against the Insurance Fund, under the provisions of this act or the constitution of the National Workmen's Sickness and Accident Insurance Fund, the first paragraph of article 67 is applicable, except where claims for support are concerned which are enforceable against the pensioner by persons entitled to compensation according to this act.

## PART II.

### ORGANIZATION.

#### TITLE IX.—*Organization of insurance.*

ARTICLE 98. Sick and accident insurance in accordance with this act is conducted by the National Workmen's Sickness and Accident Insurance Fund (Landes-Arbeiterkranken- und Unfallversicherungskasse) which has the following local agencies managing the insurance and making the payment of benefits:

(1) The District Workmen's Insurance Funds (Bezirks-Arbeiterversicherungskassen);

(2) The establishment sick funds (Betriebs-Krankenkassen), including the sick funds of transportation concerns.

The duties of the District Workmen's Insurance Funds mentioned in subdivision 1, comprise the local business of both sickness and accident insurance, while the sick funds of the particular concerns, referred to in subdivision 2, act only as local organizations for sickness insurance.

The organization of the miners' sick benefit funds (Bruderladen) created in accordance with the mining law, as well as of the sick benefit funds existing in the state tobacco factories, remains unaffected by this act, as provided in Title XIII.

ART. 99. In the dominion of the Holy Hungarian Crown, two National Workmen's Sickness and Accident Insurance Funds are herewith established, with principal offices in Budapest and Agram; their organization, jurisdiction and activity are fixed in Title X of this act. All provisions of this act relating to the National Workmen's Sickness and Accident Insurance Fund shall apply to both of these funds.

The National Workmen's Sickness and Accident Insurance Funds to be established with principal offices in Budapest and Agram, shall follow the same procedure concerning the insured, whose legal residence is respectively in Hungary or in Croatia-Slavonia.

**TITLE X.—National Workmen's Sickness and Accident Insurance Fund.**

ARTICLE 100. The objects of the National Workmen's Sickness and Accident Insurance Fund are:

(1) To insure the employees subject to compulsory insurance, as well as those voluntarily insuring against sickness, on a mutual basis, in accordance with the provisions of part 1 of this act, and through the agency of the District Workmen's Insurance Funds, as well as of the sick funds of establishments;

(2) to apportion among the employers and the insured employees the burden connected with sickness insurance, the insurance dues to be assessed as necessity requires, in due proportion for the whole country and the several localities (article 25);

(3) to regulate the benefits to insured members according to uniform principles and modes of procedure for the whole country;

(4) to promote mutual arrangements regarding the employment of physicians in common, as well as the supply of medicines and therapeutic appliances, and in general to dispose of all questions pertaining to these matters;

(5) to provide hospitals, dispensaries, sanatoria, and convalescent homes for the insured members;

(6) to accumulate a reserve fund for covering the sick benefit expenditures occasioned by extraordinary circumstances;

(7) to provide mutual insurance against accident for employees subject to compulsory accident insurance under this act, pursuant to the provisions of part 1 of this act and through the agency of the District Workmen's Insurance Funds;

(8) to accumulate a reserve fund for defraying in part the expense for accident pensions in the manner provided in Title IV;

(9) to regulate the terms of employment and the pensioning of the employees of the National Workmen's Sickness and Accident Insurance Fund, as well as of the District Workmen's Insurance Fund.

Every district or establishment fund organized under Act XIV of 1891 or under the present act, is deemed an agency of the National Workmen's Sickness and Accident Insurance Fund, from the day of its organization, or from the day this act takes effect, as the case may be.

ART. 101. The District Workmen's Insurance Funds and the sick funds of the several establishments in granting sick benefits to their insured members must observe the principle of mutuality in the matter of supervision over the members of the fund as well as over the fulfillment of the duties devolving upon the employers and the insured members of the fund.

Disputes arising between the two funds mentioned in the first paragraph over the manner of fulfilling these duties shall be decided by the State Workmen's Insurance Office.

ART. 102. The National Workmen's Sickness and Accident Insurance Fund shall keep separate accounts, records and statistics of sickness and of accident insurance and shall also separately administer the reserve funds which are to be accumulated in both branches of insurance.

By resolution of a general meeting of the fund and with the approval of the State Workmen's Insurance Office, common institutions may be created for both branches of insurance, the costs and income, if any, whereof shall be apportioned between both insurance accounts in proportion to the burdens borne by each.

The running expenses of the National Workmen's Sickness and Accident Insurance Fund exclusive of the administrative expenses borne by the State according to article 115, likewise the running expenses of the District Workmen's Insurance Funds, are chargeable to the National Workmen's Sickness and Accident Insurance Fund and are to be apportioned between the two accounts pro rata to the yearly benefit expenditure of each branch of insurance.

Extraordinary running expenses, such as the cost of local inquiries, experts, etc., are to be charged to that branch of insurance in whose interest they have been incurred.

ART. 103. The National Workmen's Sickness and Accident Insurance Fund is the self governing organization of the employees insured against sickness and accident pursuant to this act and of their employers. Its organs of administration are: the general meeting, the board of directors and the supervising council.

ART. 104. The general meeting consists of the delegates of the District Workmen's insurance Funds and of the establishment funds, who are elected by the general meetings of the said funds, from their own number, to wit: separately by the employers and separately by the employees' delegates to the general meeting, in proportion to the numbers of the insured members of the fund and of the employers, in such manner that each fund should be represented in the general meeting by an equal number of delegates of the employers and of the employees.

The total and proportional numbers, the mode of election and the term of service of the delegates, the manner of calling and holding the general meeting, its place, time, rules of procedure and quorum are fixed by the constitution of the National Workmen's Sickness and Accident Insurance Fund.

At the first annual general meeting, each district workmen's insurance fund and establishment fund may be represented, in proportion to the number of its insured members and of employers, by an equal number of delegates elected by the employers and by the delegates to the general meeting of the employees from their own number. The State Workmen's Insurance Office shall make arrangements for the organization and calling of the First General Meeting.

Only delegates to the general meeting of a District Workmen's Insurance Fund, or of an establishment fund, or members of its board of directors, are eligible to serve as delegates from the same.

ART. 105. The General Meeting has the following powers:

- (a) To make and amend the constitution;
- (b) to fix the average daily wage classes (article 24);
- (c) to fix the rate of benefits to be given in case of sickness and to decide upon increasing or extending the time of, or reducing, the benefits, likewise upon the method of raising the same and upon increasing or reducing the percentage rate of the dues;
- (d) to authorize the increase and appropriation of the reserve fund of the sick benefit funds;
- (e) to take action in the matter of establishing hospitals and homes for convalescents and generally upon all questions, involving the sanitary care of the members, which require considerable investments of capital, likewise upon the purchase and sale of real estate, as well as upon the assumption of any obligations imposing considerable burdens upon the fund;
- (f) to fix and amend the table of risks for accident insurance;
- (g) to determine the method of accumulating and expending the accident insurance reserve fund;
- (h) to elect the members of the board of directors and supervising council of the National Workmen's Sickness and Accident Insurance Fund, likewise the elective members of the judicial division of the State Workmen's Insurance Office;
- (i) to fix the annual budget of the administration;
- (j) to audit the sickness and accident insurance accounts at the close of the year and to decide whether the same be approved or disapproved;
- (k) to settle the rate of contribution to the pension fund for the employees of the fund;
- (l) to determine all matters of which it has jurisdiction according to law, or in which it is empowered to act by the constitution.

A decision mentioned in subdivision c, to be valid, requires a two-thirds majority of those present at the general meeting, voting by secret ballot; valid decisions concerning the matters enumerated in subdivisions a to g, and k require in addition thereto the approval of the State Workmen's Insurance Office; valid decisions referred to in subdivision i require moreover the approval of the minister of commerce. If, at the first determination of the sick benefits, a two-thirds majority could not be reached, the rate of the benefits to be granted is to be determined by the State Workmen's Insurance Office until the same are changed in lawful manner.

ART. 106. The board of directors shall consist of as many members as may be fixed in the constitution, not to exceed sixty, however, and of a number, likewise stipu-



lated in the constitution, of alternate members, who shall be elected by the general meeting in proportion (article 104) to the representation, at the general meeting of the District Workmen's Insurance Funds and establishment funds, the members to be chosen by the delegates of the employers and employees separately from their own number in such manner that the employers and the insured employees shall be represented on the board of directors in equal numbers.

The board of directors shall elect alternately from among its members representing the employers and the employees, a chairman, in the order to be prescribed in the constitution and for a term fixed therein, who shall likewise preside at the general meeting, further one vice-chairman from each side.

The board of directors shall have authority in all matters which according to law or the constitution, are not reserved to the general meeting.

The physicians of the district and establishment funds operating at the seat of the National Workmen's Sickness and Accident Insurance Fund organize from their own number a permanent medical senate which acts as a consultative organ in matters involving the sanitary care of the members of the National Workmen's Sickness and Accident Insurance Fund and must be heard in sanitary questions. This permanent medical senate may elect from its own number three members to the board of directors of the National Workmen's Sickness and Accident Insurance Fund who have therein a consultative voice on questions involving the sanitary care of the insured workmen, but have no right to vote.

The number of members of the board of directors as well as of the permanent medical senate, the manner of their election and their terms of office, further the method, place and time of organization, of calling and holding the meetings of the board of directors and of the permanent medical senate, and their powers, mode of procedure, and quorum are provided in the constitution of the National Workmen's Sickness and Accident Insurance Fund.

ART. 107. The general meeting shall elect from its own number a supervising council, to wit: in equal numbers separately from the employers' delegates to the general meeting and separately from those of the employees.

The number of members of the supervising council, the manner of their election, their term of office, the organization, meetings, powers and activity of the council are provided in the constitution.

ART. 108. The chairman and vice-chairman of the fund, as well as at least one-half of the members of the board of directors and supervising council are to be elected from among persons residing at the seat of the National Workmen's Sickness and Accident Insurance Fund.

ART. 109. For the conduct of the administrative business, the board of directors of the fund may employ salaried persons whose terms of employment are to be fixed in service and discipline regulations.

These regulations are to be submitted to the State Workmen's Insurance Office for approval.

Appeals from decisions rendered by the board of directors of the fund as a tribunal of original jurisdiction in disciplinary proceedings against employees of the National Workmen's Sickness and Accident Insurance Fund and as an appellate tribunal (article 130) in disciplinary proceedings against employees of the District Workmen's Insurance Fund may be taken by the parties in interest to the State Workmen's Insurance Office.

ART. 110. Only a Hungarian citizen, having command of the Hungarian language, is eligible to serve as delegate to the general meeting, member of the board of directors or supervising council, or as official of the fund; a person who is under age, or under guardianship, or a defendant in bankruptcy, or has been convicted, by final sentence of a court, of a felony or misdemeanor committed with the object of pecuniary gain, or lastly one who has been sentenced to removal from office or to suspension of the exercise of political rights, is not eligible during the term fixed in the final judgment.

If a committee is appointed of the person of an elected member of the board of directors, or of the supervising council, or of an officer of the fund, or he is made a defendant in bankruptcy or has been convicted by a final sentence of a court of a felony or misdemeanor committed with the object of pecuniary gain, or lastly has been sentenced to removal from office or to suspension of the exercise of political rights, the said person must be removed from office by the board of directors without any compensation.

If on account of a crime or offense committed with the object of pecuniary gain, criminal proceedings are instituted against a member of the board of directors or of the supervising council, or an employee of the fund, such person is to be suspended from his office by the board of directors until the conclusion of the criminal proceedings.

Decisions rendered by the board of directors of the fund in such matters may be appealed from to the State Workmen's Insurance Office; the appeal, however, does not operate as a stay.

ART. 111. The election of the chairman of the board of directors and the managing director of the fund must be confirmed by the State Workmen's Insurance Office.

Except in the cases enumerated in article 110, confirmation can be refused only if the election of the person in question violates the provisions contained in the law or the constitution, or if the personal circumstances of the person elected do not offer sufficient assurance of the proper performance by him of the duties of office, in conformity with the aims and objects of the fund.

ART. 112. The offices of delegates to the general meeting and of members of the board of directors and of the supervising council are honorary, no salary being attached thereto, as such; actual expenses, however, connected with the exercise of the duties thereof are to be refunded in the manner and amount to be specified in the constitution of the National Workmen's Sickness and Accident Insurance Fund.

In addition thereto, they may receive a fee for loss of time to be fixed by the minister of commerce upon recommendation from the State Workmen's Insurance Office, and to be charged to the account of the cost of management.

ART. 113. The liability of the board of directors of the National Workmen's Sickness and Accident Insurance Fund, its supervising council and employees of the fund for damages caused by their negligence or abuses, is governed by existing legal provisions and the claims for damages are to be prosecuted in the courts.

ART. 114. The administration of the National Workmen's Sickness and Accident Insurance Fund proceeds in the manner prescribed in the constitution of the fund, except where the provisions of the present act are mandatory.

The constitution must contain dispositions particularly relating to the following matters:

(1) The membership of the general meeting of the fund, its board of directors, presiding officers, supervising council, as well as of the permanent medical senate; the proportionate representation of the industrial (factory) and commercial employees in the self-governing bodies; the elections to be held by secret ballot; the organization and powers of the self-governing bodies; the rules of procedure, likewise the practice which is to be followed in the management of the affairs of the fund and in the election by secret ballot of elective members of the judiciary division of the State Workmen's Insurance Office;

(2) in the matter of insurance against sickness, concerning the average daily wage classes, membership dues, voluntary members, benefits, the establishment of sanitary institutions, the employment of physicians and the terms of their employment; further concerning the mediation proceedings of the District Workmen's Insurance Funds and establishment funds and the supervision thereof; concerning the method of settling accounts with the funds of the districts and establishments; concerning the reserve-fund of sick benefit funds, and in general concerning the practice to be followed in insurance against sickness;

(3) in the matter of accident insurance, concerning the insurance of employees in small workshops, as well as voluntary insurance; the fixing of the risk-table; the practice to be followed in the classification of establishments and occupations into risk classes, in the examination of establishments, in the accumulation and appropriation of the reserve fund, in investigations of accidents, in the determination, granting and payment of benefits and pensions; further, concerning the mediation proceedings, the conduct of the business, supervision and settlement of accounts of the District Workmen's Insurance Funds, and in general concerning the practice to be followed in accident insurance;

(4) the administration of the National Workmen's Sickness and Accident Insurance Fund, the appointment of officials, the regulation of matters pertaining to service and discipline, as well as of the pension insurance of the officials of the central and District Workmen's Insurance Funds;

(5) the accounting in sickness and accident insurance, the keeping of records and the reporting of statistical data;

(6) the manner of making, auditing and approving the annual accounts;

(7) the procedure for amending the constitution.

The constitution must contain no provisions which are contrary to law or to regulations made in pursuance of the law, or are inconsistent with the aim and object of the fund.

ART. 115. The administrative expenses of the National Workmen's Sickness and Accident Insurance Fund, including the expenses of the general meetings, of the board of directors and of the supervising council, as well as of the courts of arbitration mentioned in Title XIV, are chargeable to the ministry of commerce; in Croatia and



Slavonia to the provincial government; and are to be incorporated in the annual budgets.

For this purpose, the budget accepted by the general meeting of the fund is to be submitted for approval through the State Workmen's Insurance Office to the minister of commerce; in Croatia and Slavonia, to the ban of Croatia-Slavonia-Dalmatia.

ART. 116. The National Workmen's Sickness and Accident Insurance Fund, as a legal person, can assume obligations and acquire rights. With regard to public authorities and third parties, the fund, within its scope of action defined by the law or its constitution, is represented by the chairman of the board of directors and the managing director jointly, or by their deputies, as the case may be. This right of representation extends also to such legal business as may, under other statutes, require a special authorization.

ART. 117. The National Workmen's Sickness and Accident Insurance Fund must keep accounts, records, and statistical statements relating to sickness, accidents and other matters as prescribed by the minister of commerce by executive order and must present the annual accounts, with the result of the examination of the same, pursuant to the constitution, as well as the statistical reports to the State Workmen's Insurance Office, not later than on the last day of June of the following year.

#### TITLE XI.—*District Workmen's Insurance Funds.*

ART. 118. The District Workmen's Insurance Fund pursues the following objects in the manner provided in this act and the constitution of the National Workmen's Sickness and Accident Insurance Fund as well as in its own constitution:

(1) It is to administer the insurance against sickness and to attend to the local business thereof; for this purpose:

(a) it shall control the employers regarding the fulfillment by them of the duty to make reports;

(b) it shall keep a register of members subject to compulsory insurance and of voluntary members and shall provide them with membership certificates;

(c) it shall prescribe and raise dues, keep a record of arrears and take steps for the collection of the same;

(d) it shall deliver the benefits, provide for medical treatment and therapeutical appliances and shall make arrangements for hospital care of sick members;

(e) it shall keep the records and statistics of sick benefits referred to it;

(f) it shall represent the National Workmen's Sickness and Accident Insurance Fund and appear, whenever authorized, in its name, in court and before the administrative authorities.

(2) It is to be an agency for accident insurance and to attend to the local business thereof; for this purpose:

(a) it shall control the proprietors of establishments employing workmen subject to compulsory accident insurance, in the matter of reporting their workmen and establishments, the changes and accidents occurring in the establishments, and of furnishing data concerning wages, as well as regarding the enforcement of the rules for the prevention of accidents;

(b) it shall keep a register of the persons and establishments insured against accident within the district; it shall act as a branch office for filing the reports mentioned in subdivision a, as well as for the payment of accident insurance dues and premiums to the national fund and shall take lawful measures for the collecting and recovery of the dues and premiums;

(c) it shall participate in investigation of accidents, likewise in ascertaining the consequences of the accident and shall determine the temporary benefits and pensions;

(d) it shall make the payment of pensions granted by the National Workmen's Sickness and Accident Insurance Fund;

(e) it shall keep a register and statistics of accidents referred to it.

Two-thirds of the net annual surplus of the District Workmen's Insurance Funds are due to the National Workmen's Sickness and Accident Insurance Fund; accordingly the accumulating cash in the treasury of the district funds, in excess of the amount required for current expenses, and two-thirds of the annual surplus must be paid over to the National Workmen's Sickness and Accident Insurance Fund. The manner of using the remaining one-third of the annual surplus is determined by the District Workmen's Insurance Fund; however, this one-third must be used for raising the benefits allowed by law to the insured or for the establishment and maintenance of benevolent institutions, and from it an amount, not to exceed 10 per cent, may be allowed to the employees of the District Workmen's Insurance Fund for pensions.

The decisions of the District Workmen's Insurance Fund regarding the use of the surplus become effective only upon approval by the State Workmen's Insurance Office.

**ART. 119.** The number, territory and official seat of the District Workmen's Insurance Funds are to be determined upon their reorganization under the provisions of this act, by the State Workmen's Insurance Office after hearing the board of directors of the National Workmen's Sickness and Accident Insurance Fund.

**ART. 120.** Every person subject to compulsory insurance, who is employed within the district is deemed a member of the District Workmen's Insurance Fund unless insured against sickness in the manner and to the extent regulated by law, in an establishment fund or miners' provident fund, existing in the territory of the district fund.

Further, the owner or operator of such undertakings, plants or establishments as employ persons who are insured against sickness or accident according to this act, is deemed a member of the District Workmen's Insurance Fund.

The following are excepted from the foregoing provisions:

(a) employees of transportation concerns whose operations extend over the territory of several District Workmen's Insurance Funds; all employees of such concerns are to be reported to the District Workmen's Insurance Fund, within whose territory the principal office of the undertaking is situated, but they may also be insured with that district fund, which has jurisdiction of their place of employment, or residence;

(b) employees of undertakings whose operations embrace also temporary performance of services in various places; those employees of the regular works of the said undertakings, who are detailed to the temporary work may also be insured, during the latter time, with the District Workmen's Insurance Fund having jurisdiction over the place where said operations are going on.

**ART. 121.** A member of a District Workmen's Insurance Fund who is subject to compulsory enrollment therein, may sever his connection with the district fund while his establishment or occupation continues within its territory only in case he can show that he has duly joined an establishment fund or miners' provident fund existing within the district.

**ART. 122.** The autonomous organization and powers of the District Workmen's Insurance Funds are determined at the general meeting of the same by the adoption of a constitution. The approval of the State Workmen's Insurance Office is required for the validity of the constitution, as well as for any change therein.

The constitution must contain no provisions which conflict with the law or regulations issued in pursuance of the law, as well as with the constitution of the National Workmen's Sickness and Accident Insurance Fund or are inconsistent with the aims and objects of the fund.

The books and accounts of the District Workmen's Insurance Funds are to be kept in the Hungarian language and their reports to the National Workmen's Sickness and Accident Insurance Fund are to be submitted in the Hungarian language.

**ART. 123.** The first constitution of the District Workmen's Insurance Fund shall be framed by delegates to be elected separately in equal numbers by the employees subject to compulsory insurance and employers, enrolled in the district with the collaboration of the industrial officials of the first resort.

**ART. 124.** In the absence of special provisions in the law or the constitution, or the rules of the National Workmen's Sickness and Accident Insurance Fund, the constitution of the District Workmen's Insurance Funds must make provisions concerning the following subjects:

- (1) the title, territory and official seat of the fund;
- (2) the composition of the fund's general meeting, board of directors, executive board, supervising council, as well as of the permanent medical senate; the proportionate representation of the industrial, factory, and commercial employees in the organs of the fund's self-government, elections by secret ballot, the composition and powers of the organs of self-government, the manner of deliberation and making decisions; the rules governing the administration of the fund, as well as the election by secret ballot of the members of the court of arbitration;
- (3) the form, time and manner of making reports; the procedure to be followed in making reports, in issuing membership certificates and in keeping records of the members;
- (4) the procedure to be followed concerning the admission, registration and withdrawal of voluntary members, and their benefit claims;
- (5) the procedure in relation to the payment, collection, levying, administration and recording of the sickness and accident insurance dues and premiums;
- (6) the procedure in relation to reports of inquiries into and records of accidents;
- (7) the procedure to be followed in determining and granting benefits, as well as in controlling the sick; the employment and terms of service of physicians, or the free choice of physicians, as the case may be;
- (8) the management of the fund, the employment of officials, the terms of their service and discipline;

- (9) the appointment of representatives outside the seat of the fund, their powers and duties, the supervision of their activity and the settlement of their accounts;
- (10) furnishing mediating agencies to the communes and to trade guilds;
- (11) the system of accounting in relation to sickness and accident insurance, the manner of keeping records and furnishing statistical data;
- (12) the method of making, auditing, and approving the annual balance sheets;
- (13) the manner of amending the constitution.

ART. 125. The self-governing bodies of the District Workmen's Insurance Funds are—1. The general meeting; 2. The board of directors; 3. The supervising council.

ART. 126. The general meeting consists:

- (a) of the delegates of all the insured fund-members;
- (b) of the delegates of the uninsured employers.

The delegates to the general meeting are elected separately, one-half by the employers of the insured workmen, from their own midst and one-half in like manner by the employees insured in the fund.

The number of delegates, the particulars in relation to their election by secret ballot, the term of their service, the manner of calling the general meeting, the place and time of holding the same, its powers and procedure, the method of voting, the manner of passing resolutions and the quorum required therefor are determined in the constitution, in conformity with the provisions of this act.

ART. 127. The members of the board of directors and supervising council are elected separately, one-half by the employers' delegates to the general meeting, from their own number, one-half in like manner by the insured employees' delegates to the general meeting.

The powers of the board of directors extend to all business which has not been reserved in the constitution to the general meeting.

The physicians, designated by the District Workmen's Insurance Fund to render medical aid shall organize from their own number a permanent medical senate whose powers and mode of procedure are to be governed by the provisions contained in paragraph 4 of article 106.

Further particulars concerning the composition, powers and duties of the board of directors, the permanent medical senate and the supervising council (paragraph 5, article 106) are to be provided for in the constitution.

ART. 128. Resolutions of the general meeting or board of directors of the District Workmen's Insurance Fund authorizing the purchase or sale of real estate, likewise the assumption of obligations imposing a heavy burden upon the fund require the consent of the board of directors of the District Workmen's Insurance Fund and the approval of the State Workmen's Insurance Office.

ART. 129. The minister of commerce is empowered, upon understanding with the minister of the interior, to regulate by executive order, the manner of and procedure for the admission of the communes to the local agency of insurance against sickness.

In communes where the number of members insured against sickness exceeds 50, local insurance committees subsidiary to the communal administration may be organized from the insured members and their employers. The rules regarding the composition, powers and duties of the local committees are made, by executive order of the minister of commerce, upon understanding with the minister of the interior.

Industrial guilds may undertake upon their own responsibility to procure sickness insurance for the workmen employed by their own members, with the District Workmen's Insurance Fund. An arrangement to this effect may be canceled by the fund for good reasons only, with the approval of the State Workmen's Insurance Office.

ART. 130. The board of directors of the fund may employ salaried persons to attend to its business whose terms of employment are fixed by it in service and discipline regulations.

The resolutions of the board of directors regarding the classification of administrative positions, the compensation as well as permanent appointments to the said positions, are to be submitted for approval to the board of directors of the National Workmen's Sickness and Accident Insurance Fund, and the service and discipline regulations to the State Workmen's Insurance Office.

The discipline regulations must assure to the employees (article 109) the right of appeal to the board of directors of the National Workmen's Sickness and Accident Insurance Fund against decisions rendered in disciplinary matters.

ART. 131. The provisions contained in article 110, in the first paragraph of article 112 and in article 113 apply likewise to the District Workmen's Insurance Fund, provided, however, that rules regarding the cash expenditures of the members of the general meeting, board of directors and supervising council, shall be made in the

constitution of the District Workmen's Insurance Fund, and further that the provisions of article 113 shall likewise apply to the liability of the communal councils and industrial guilds for compensation (article 129).

ART. 132. Within the scope of its business, fixed in this act and in the constitution of the National Workmen's Sickness and Accident Insurance Fund, the District Workmen's Insurance Fund may assume obligations and acquire rights. With regard to public authorities and third parties, the fund, within the scope of its business, as determined by the law or its constitution, is represented by the chairman of the board of directors and the managing director (secretary) or by their deputies, jointly. This right of representation extends also to those legal transactions for which, under the general laws, special authorization is required.

ART. 133. The relation between the District Workmen's Insurance Funds and the physicians is a matter of free agreement.

The general meeting of the fund is to decide with the consent of the board of directors of the National Workmen's Sickness and Accident Insurance Fund and the approval of the State Workmen's Insurance Office, whether the fund shall provide medical treatment for insured members through the appointment or designation of physicians, or through free choice of physicians.

All disputes arising between the funds and their physicians concerning medical attendance and stipulated fees are decided by the State Workmen's Insurance Office with due regard to the jurisdiction of the National Workmen's Sickness and Accident Insurance Fund.

ART. 134. When great numbers of workmen are employed in an industrial establishment or on construction work and there is no physician in the locality of the establishment or in proximity thereto, the State Workmen's Insurance Office may direct the manufacturer or builder to employ a physician for the medical treatment of his workmen.

Several neighboring factories or establishments can be compelled to engage a physician in common.

The District Workmen's Insurance Fund or the National Workmen's Sickness and Accident Insurance Fund is required to contribute to the salary of physicians thus engaged.

In cases of dispute the rate of contribution is settled by the State Workmen's Insurance Office.

Whenever an industrial establishment fails to perform the duty imposed by this article, a physician for their employees is engaged by the District Workmen's Insurance Fund at the expense of the establishment. In such case the expenses incurred by the district fund for the employment of the physician are to be recovered from the head of the establishment by administrative procedure, the same as public taxes.

ART. 135. When a large number of workmen are employed for a considerable time on the buildings mentioned in subdivision 4 of article 1 of this law or in similar undertakings of a nonpermanent nature which are organized for construction work, the State Workmen's Insurance Office may permit the builder or the establishment, and in case of necessity may direct entrepreneur or the establishment, to proceed under the supervision and control of the District Workmen's Insurance Fund with the giving of sick benefits pursuant to this act, to the workmen employed in the establishment, from the dues to be raised likewise in accordance with this act.

The dues to be paid in such case by the entrepreneur or the establishment and the benefits to be given as well as the procedure to be observed in the administration of the dues, in the registration of the workmen and in pensioning them, as well as State Workmen's Insurance Office in furnishing statistical data, are determined by the State Workmen's Insurance Office in accordance with the provisions of this act.

The builder who fails to comply with the order issued by the State Workmen's Insurance Office in accordance with the first paragraph and is guilty of negligence and abuses in raising the dues and in granting benefits, may be compelled by the State Workmen's Insurance Office to repay out of his own funds and without any right to reimbursement, the full amount of sick-benefits given by the National Workmen's Sickness and Accident Insurance Fund to his employees subject to compulsory insurance or to their survivors.

All disputes arising with regard to this duty are decided by the officials who enforce the industrial laws, and the District Workmen's Insurance Fund may appear as representative of the employees in said disputes.

If the builder fails to comply with the orders issued regarding the keeping of membership registers, the furnishing of statistical data and accounting, he may be punished by the State Workmen's Insurance Office with a fine not to exceed 1,000 crowns [\$203.00], which is to be recovered by administrative process, the same as public taxes.



If the construction work has been discontinued, the property remaining upon settlement of the accounts is to be turned over to the National Workmen's Sickness and Accident Insurance Fund and to be included in its sickness-insurance reserve fund. This residue does not accrue to the builder or establishment, or to the insured employees.

ART. 136. The State Workmen's Insurance Office may dissolve the District Workmen's Insurance Fund or include its territory wholly or in part in the territory of another district fund, in the following cases:

- (a) in case the general meeting decides upon such dissolution;
- (b) in case the legal obligations can not be satisfied within the territory of the district fund even with the highest dues, and the interests of insurance require the total or partial joining of the territory of the fund to that of a workmen's insurance fund of another district.

Simultaneously with the order of dissolution, provision is to be made that the members subject to compulsory insurance be transferred to another district fund, and that the voluntary members should have the option to join such a fund.

The property of a dissolved district fund remaining after paying the matured legitimate claims of the insured and all other liabilities, accrues to the benefit of the National Workmen's Sickness and Accident Insurance Fund.

ART. 137. The District Workmen's Insurance Funds are bound to keep the accounts, records, and statistics of sickness, accidents and other matters, prescribed by the minister of commerce by executive order, further to submit to the State Workmen's Insurance Office, their annual accounts, together with the result of the examination thereof according to the constitution, as well as statistical reports, not later than the end of April of the following year.

#### TITLE XII.—*Establishment funds.*

ARTICLE 138. A manufacturer or entrepreneur who owns one or more neighboring undertakings, establishments or plants, in which he employs at least 300 employees subject to compulsory insurance, is authorized to create an establishment sick fund.

ART. 139. If an undertaking involves especial danger to the health or physical welfare of the employees, the entrepreneur in question may be compelled by the State Workmen's Insurance Office to create a separate establishment sick fund and engage a physician of his own even if the undertaking employs less than 300 persons subject to compulsory insurance.

An entrepreneur who fails to comply with such an order within the time fixed therein, may be compelled by the said Office to pay into the National Workmen's Sickness and Accident Insurance Fund a contribution up to 4 per cent of the wages or salaries of his employees subject to compulsory insurance, in which case he forfeits the right to deduct this contribution, even partly, from the wages or salaries of his employees.

ART. 140. The establishment sick funds serve as local agencies of the National Workmen's Sickness and Accident Insurance Fund in matters of sickness insurance and must account to the National Fund.

They also pay the benefits provided by law in cases of sickness resulting from accidents; other local business, however, pertaining to accident insurance is not within their jurisdiction.

The provisions of this act relating to the jurisdiction and activity of the District Workmen's Insurance Funds, apply likewise to the establishment sick funds, as regards their aim and purpose defined in this article.

ART. 141. The manufacturer or entrepreneur must report to the establishment sick fund each of his employees subject to compulsory sickness insurance whom he does not insure in the District Workmen's Insurance Fund existing by virtue of this act.

All persons who stand in the relation of service with the undertaking in the sick funds embraced within this title may voluntarily insure themselves provided their salaries or wages do not exceed 2400 crowns [\$487.20] per year or 8 crowns [\$1.62] per day; likewise the dependents of the insured.

ART. 142. A draft of a constitution for the fund is prepared by the employer and laid before the employees for adoption. Upon the adoption of the constitution by a secret vote of a majority of the delegates to the General Meeting to be elected by the employees subject to compulsory insurance who are employed in the undertaking, in the number and manner set forth in the draft of the constitution, the entrepreneur submits the same for approval to the State Workmen's Insurance Office.

In case the creation of an establishment fund has been ordered in accordance with article 139, the draft of the constitution of the fund is to be submitted to the State Workmen's Insurance Office even if it has not been adopted by the employees in the

manner set forth in the first paragraph; in such case the State Workmen's Insurance Office issues the constitution officially with binding effect.

The approved constitution may be modified at the General Meeting of the fund by a majority of the votes of those present and with the approval of the State Workmen's Insurance Office.

ART. 143. In case the employees of the establishment are not yet members of the existing District Workmen's Insurance Fund, the establishment sick fund may commence business on the day the employees adopt the constitution in accordance with article 142. Should the fund not be approved, the entrepreneur must account for the receipts taken in during the temporary activity of the fund and remit the balance, if any, to the National Workmen's Sickness and Accident Insurance Fund.

ART. 144. The constitution may permanently confer the chairmanship of the board of directors upon the entrepreneur or his authorized agent.

ART. 145. The contributions to be paid into the establishment sick fund for sickness insurance and the sick benefits to be given by the fund are fixed by the National Workmen's Sickness and Accident Insurance Fund.

ART. 146. The entrepreneur or manufacturer is held liable with his own property for the lawful administration and activity of the establishment sick fund.

Should the cash resources of the establishment sick fund be insufficient to defray the current expenses, the manufacturer or entrepreneur must supply the deficiency by a loan without interest, which is to be repaid by the National Workmen's Sickness and Accident Insurance Fund in the manner to be agreed upon between the latter and the employer.

ART. 147. The receipts of the establishment sick fund must be used only for the payment of sick benefits to members pursuant to the present act. The expenses incidental to the bookkeeping and the general administration of the fund must be borne by the entrepreneur or manufacturer at his own expense.

The last paragraph of article 118 of this act shall likewise apply to the establishment sick funds.

ART. 148. Every claim arising in favor of the National Workmen's Sickness and Accident Insurance Fund against the entrepreneur from the administration of the establishment fund and the accounts, or from defaults or abuses, is to be classed, in case of bankruptcy, with the claims comprised in subdivision 1 of article 60, article XVII, Act of 1881, and, regarding Croatia-Slavonia, with those in subdivision 1 of article 50 of the Bankruptcy Law of March 28, 1897.

These claims may be enforced by the National Workmen's Sickness and Accident Insurance Fund directly or through the District Workmen's Insurance Fund.

ART. 149. The State Workmen's Insurance Office may dissolve an establishment sick fund or order its consolidation with the District Workmen's Insurance Fund, in case the entrepreneur fails to provide for the lawful administration of the fund.

Furthermore an establishment sick fund shall be dissolved or its consolidation with the District Workmen's Insurance Fund shall be ordered:

(a) in case the undertaking for which the fund was established has gone out of existence;

(b) in case the number of employees subject to compulsory insurance has been permanently reduced below 200;

(c) in case the dissolution of the fund has been decided, by a two-thirds majority vote of the General Meeting, at least one-half of the delegates to the General Meeting being present.

In the case provided for in the first paragraph of this article, the State Workmen's Insurance Office, simultaneously with the dissolution of the establishment sick fund, may impose upon the entrepreneur the obligations described in the second paragraph of article 139 and withdraw from him the right to create a new establishment sick fund. Moreover, the entrepreneur remains liable to the National Workmen's Sickness and Accident Insurance Fund for the damages which may arise through his dereliction in the keeping of the required accounts and the safe keeping of the money of the fund.

The property of a dissolved establishment sick fund accrues to the National Workmen's Sickness and Accident Insurance Fund. The claims resulting from the liquidation are to be enforced in the manner provided for in article 156.

ART. 150. If, in the undertaking wherein the sick fund has been created, work is systematically suspended from time to time owing to the character of the establishment, the establishment sick fund likewise resumes business upon the reopening of the establishment.

Notice of the temporary suspension as well as of the resumption of the business of the establishment sick fund must be given by the entrepreneur to the State Workmen's Insurance Office within 8 days.



On the contrary, in case work in an undertaking has been suspended owing to lack of work or other causes not inherent in the character of the establishment, the entrepreneur must, within 30 days counting from the discontinuance of the work, notify the State Workmen's Insurance Office thereof, which may dissolve, or consolidate the establishment sick fund with the District Workmen's Insurance Fund, in case all or more than half of the work has been suspended for over six months.

ART. 151. In case the undertaking in which the sick fund has been called into existence passes into the hands of a new proprietor, he must, within 30 days counting from the actual transfer of the undertaking, report the change to the State Workmen's Insurance Office, which decides whether the fund shall be dissolved or whether leave may be granted for the further continuance thereof. In case the continuance of the fund is granted, all the existing rights and duties of the entrepreneur, with regard to the fund, as well as the liabilities incurred prior to the transfer of the business, devolve upon the new proprietor or proprietors.

ART. 152. A manufacturer or entrepreneur who fails to report, as required by articles 150 and 151, may be punished by the State Workmen's Insurance Office with a fine of not to exceed 1000 crowns [\$203.00].

The fine so imposed is to be collected by administrative process, in like manner as public taxes.

ART. 153. In all other matters the establishment sick funds are to be governed, as far as they are applicable, by the provisions of articles 113, 122, 125 and 126, the paragraphs 1, 2 and 4 of article 127, as well as the provisions of articles 132, 133, 134 and 137.

#### **TITLE XIII.—*Miners' Provident Funds and Tobacco-factory Sick Funds.***

ARTICLE 154. Members of provident funds established under the Mining Law and conforming to the provisions of article 155 of this act, likewise of the existing tobacco-factory sick funds are not required to join, for the purpose of sickness and accident insurance, the National Workmen's Sickness and Accident Insurance Fund or the District Workmen's Insurance Fund, unless they leave employment in the mines or tobacco-factories and take up an occupation which makes insurance in the National Fund compulsory.

ART. 155. The organization of provident funds and tobacco-factory sick funds, the amount of benefits, the rate of dues, the manner of administration and supervision are governed, as the case may be, by the Mining Law and the governmental executive orders in force or by the constitutions made in tobacco-factory sick funds pursuant to Act XIV of 1891, and the organization of the provident funds as well as of the tobacco-factory sick funds set forth in said provisions remains unaffected by the present act.

In case, however, a provident fund established under the Mining Law extends its sick benefits to other persons, subject to compulsory insurance, besides the employees of a mining or smelting establishment, or likewise admits such persons to membership, it must conform to the provisions of this act regarding the maximum amount of dues to be charged to such members.

The provisions contained in Title III of this act concerning the amount of sickness insurance dues, further those in article 41 of Title V concerning the amount of compulsory payments and those of Title VI regarding the minimum amount of sick benefits, shall likewise apply to the tobacco-factory sick funds.

Tobacco-factory employees who have met with an industrial accident and their dependents shall receive from the State a compensation the amount whereof may not be less than that fixed in Title VII of this act.

### **PART III.**

#### **ON THE PROCEDURE IN THE SETTLEMENT OF CONTROVERSIES AND ON SUPERVISION.**

#### **TITLE XIV.—*The procedure in the settlement of controversies and the court of arbitration.***

ARTICLE 156. Controversies which in general arise under this act, between the employee and the employer concerning sick-benefit contributions and membership certificate fees; further, between the National Workmen's Sickness and Accident Insurance Fund or the District Workmen's Insurance Funds and establishment sick funds on the one hand, and the employers, on the other hand, concerning all of the obligations of payment and reimbursement for sickness insurance resting upon the latter; likewise concerning the employer's reimbursement-claims on the ground of article 66 and, finally, concerning the accident insurance premiums charged the employer pursuant to articles 37 and 43, are decided, in accordance with article 175 of Act 17 of 1884, by the officials who enforce the industrial laws, except that the party dissatisfied

with the decision of these officials has the right to prosecute his claims by ordinary judicial remedies within 15 days counting from the announcement of the decision.

ART. 157. Controversies which arise between the National Workmen's Sickness and Accident Insurance Fund, and the employers regarding accident insurance dues and capital sums chargeable to the latter, are decided by the State Workmen's Insurance Office.

An appeal may be taken to the State Workmen's Insurance Office from those decisions of the board of directors of the National Workmen's Sickness and Accident Insurance Fund whereby the Fund, in accordance with Title IV, enrolls the establishments in classes of risk, and further whereby it apportions and assesses the accident insurance dues and capital sums to be paid by the employers.

An appeal from the decision rendered regarding apportionment and assessment, lies only for errors in calculation, erroneous determination of taxable wages or misapplication of the relative figure of risk; the appeal, however, does not operate as a stay.

In the last two cases, however, the appeal cannot be sustained, in case the erroneous determination of the taxable wages or the misapplication of the relative figure of risk is due to the employer's negligence in reporting.

In case the State Workmen's Insurance Office reduces the amount of dues to be paid in, the amount improperly paid in is to be repaid to the employer and the deficiency resulting therefrom is to be added to the insurance costs of the next year.

ART. 158. At the seat of each District Workmen's Insurance Fund a Court of Arbitration is organized with a jurisdiction, extending over its district, in controversies which arise between persons insured against sickness and accident under this act or their dependents entitled to compensation and the National Workmen's Sickness and Accident Insurance Fund, regarding sick benefits and accident compensation, with the exception of the matters mentioned in article 180 of this act.

The jurisdiction of a Court of Arbitration of the first resort, organized at the seat of the District Workmen's Insurance Fund, embraces those controversies which arise between the insured or their dependents entitled to compensation, on the one hand, and the District Workmen's Insurance Fund or the establishment sick funds, on the other hand, concerning the benefits to be given by the latter within their own scope of business.

Controversies which arise between the insured persons, or their dependents, and the National Workmen's Sickness and Accident Insurance Fund regarding compensation to be granted by the latter, are tried originally by the Courts of Arbitration organized at the headquarters of the Royal Bench and, in Croatia-Slavonia, at the seats of chambers of commerce and industry.

ART. 159. Each Court of Arbitration consists of a president, his substitute, at least 20 associates and a corresponding number, not less than 10, of substitute associates.

The president and one or more substitutes, as may be required, are appointed by the minister of justice from among the judges sitting at the headquarters of the Court of Arbitration. Their remuneration is fixed by the minister of justice, upon understanding with the minister of commerce, by executive order. The appointment is for three years, but terminates in case the person in question is appointed to another judicial post, or in case his office as trial judge at the seat of the Court of Arbitration expires. In case of need, the office of president may be added as a separate judgeship to the personnel of the Royal Court of Justice at the seat of the Court of Arbitration.

The associates and their substitutes are elected for three years by the General Meeting of the District Workmen's Insurance Fund from its own number and in equal number separately by the employers and separately by the insured employees.

Members or proxies of the board of directors and supervising board can not be elected to membership in the Court of Arbitration.

The minutes of the Court of Arbitration are kept by an official of the fund engaged by the District Workmen's Insurance Fund at its own expense.

The members of the Court of Arbitration acting as such are deemed public officials.

The supervision over the conduct of the business of the Court of Arbitration is exercised by the president of the Royal Bench having jurisdiction of the seat of the Court of Arbitration and the supreme direction is exercised by the minister of justice.

ART. 160. The procedure to be followed in the election of members of the Court of Arbitration is fixed in the constitution of the District Workmen's Insurance Fund.

Membership in the Court of Arbitration is deemed an honorary position; as compensation for loss of time, the members receive a lump sum which can not be declined. In addition to it, their traveling expenses are refunded to the nonresident members.

The amount of the lump sum and the schedule for computing the traveling expenses are fixed by executive order of the minister of commerce upon consultation with the State Workmen's Insurance Office.

ART. 161. To be eligible for the office of associate of the Court of Arbitration one must be a Hungarian citizen, able to speak the Hungarian language, of full age, not

under guardianship, nor a defendant in bankruptcy, who has not been punished for felony or misdemeanor committed for pecuniary gain, and is not under a final sentence involving loss of office or the suspension of the exercise of political rights.

Should circumstances subsequently come to light or occur which under this act, preclude the eligibility of an associate already elected he must, upon a preliminary examination, be removed from his office by the president of the Court of Arbitration. The person so dismissed may appeal from this decision, through the president of the Court of Arbitration, to the State Workmen's Insurance Office; the appeal, however, does not operate as a stay.

In this case as well as in case an associate of the Court of Arbitration retires from office in any other way during the term for which he has been elected, the president of the court appoints the next substitute member to fill the vacancy.

A member who after being elected fails to perform his duties without sufficient cause or repeatedly and without good cause, absents himself from sessions, may be fined by the president of the Court of Arbitration up to 100 crowns [\$20.30].

If a member of the Court of Arbitration withdraws without good reason from the court, while the same is in session, thereby preventing the continuation of the proceedings or the rendering of an award, he is to be sentenced by the president of the Court of Arbitration to pay the costs of the proceedings so discontinued.

The decision of the president of the court rendered in the matter of the fine or the payment of costs is not subject to appeal, and the fine as well as the costs imposed are to be recovered by administrative order in like manner as public taxes.

In case an associate of the court of arbitration shall be repeatedly fined or shall be sentenced to payment of the costs of the proceedings, and in the latter case likewise for the first offense, he shall moreover be subject to the provisions contained in the second and the third paragraphs.

ART. 162. The members of the Court of Arbitration elected by the insured persons must notify their employers whenever called to service in court proceedings.

The employer must allow his employee who has been elected an associate in the Court of Arbitration to perform his duty pertaining thereto. The wages which the employee may eventually lose by reason of attending the proceedings of the Court of Arbitration are refunded to him from the state treasury (article 115).

ART. 163. The District Workmen's Insurance Fund having jurisdiction of the place where the establishment is located, must be notified of the term of the Court of Arbitration, eight days prior to the opening of the term, and it, in turn, immediately gives notice to the interested parties of the date of the proceedings.

The Court of Arbitration tries causes in a senate of five; the senate consists, in addition to the president or his substitute, of two employers and as many insured persons. The associates are primarily selected by the president from the branch of industry with which the insured person who has fallen sick or met with an accident is identified, or from a kindred branch; in case, however, this is impossible, by rotation, as ordered annually in advance.

The reason for any deviation from this rotation must be stated by the president in the minutes of the session.

ART. 164. The president of the Court of Arbitration administers to the associates or their substitutes from among the employers and employees, upon their taking office, an oath or pledge that they will fulfill their duties impartially.

The excluding of members of the Court of Arbitration is governed by the provisions of the Code of Civil Procedure.

The challenges of members of the Court of Arbitration in such cases are ruled upon by the president.

ART. 165. Where, in case of sickness the existence of disability is in issue, and where in case of accident the issue is whether the accident was the proximate cause of the death or disability, or the degree of disability is in issue, physicians must be called into the proceedings of the Court of Arbitration.

The physicians to be consulted are to be designated and the rotation in which the physicians selected are to be called into the proceedings, is to be determined by the president of the Court of Arbitration for one year at the beginning of each year from a list of names procured from the municipal medical department, at the seat of the Court of Arbitration.

Wherever practicable, the designation should be so made that several physicians of each specialty should be at the disposal of the court.

The rotation may be departed from only exceptionally, and the reason therefor must be stated in the minutes of the proceedings.

A physician who has rendered the first aid to the injured person or has treated the injured person or has previously given the fund his professional opinion in the same manner or stands in contractual relation to the fund or to the employer of the injured person must not be called into the proceedings as an expert.

A physician called in as expert must be given access to all the records of the proceedings.

ART. 166. The National Workmen's Sickness and Accident Insurance Fund is liable for the costs of the proceedings of the Court of Arbitration, unless the court finds that the costs have been maliciously caused by the person claiming compensation.

The expenses incurred for fees of experts especially called in on motion of the persons claiming benefits or compensation and counsel fees must be borne by the defeated party.

The fees of experts called in on motion of the fund and the fees of the fund's counsel must be defrayed by the fund at its own expense.

The costs of representation of the parties by counsel are taxed by the Court of Arbitration; the expenses for representation by persons other than attorneys can not be charged. The costs of representation by counsel before the Court of Arbitration can be recovered in no other way than by execution on the judgment of the Court of Arbitration.

In case of necessity the court may order an inquiry on the spot, which, however, may extend to that portion of the establishment only, where the accident has occurred.

ART. 167. The judgment is rendered by the Court of Arbitration in closed session by a simple majority of votes, and must be announced forthwith; it must be served, together with an opinion stating the reasons for the same, within 15 days from the day of its announcement, on the District Workmen's Insurance Fund and the injured person or the claimant.

If the Court of Arbitration adjudges the claimant to be entitled to benefits or compensation, it must also fix the amount and initial day of the benefit or pension.

The enforcement of the judgment rendered by the Court of Arbitration is within the powers of the district court having jurisdiction of the defeated party.

Judgments rendered by the Court of Arbitration upon claims for permanent pensions may be appealed from in every case; judgments rendered upon claims for benefits in case of sickness and temporary accident pensions, however, may be appealed from in that part only, whereby the claim to benefit or pension is granted or denied.

The appeal must be filed with the president of the Court of Arbitration within 30 days from the day of the service of the judgment.

#### TITLE XV.—*The State Workmen's Insurance Office.*

ARTICLE 168. For the purpose of exercising state supervision and control over the National Workmen's Sickness and Accident Insurance Fund as well as over the District Workmen's Insurance Funds and the establishment sick benefit funds; further, for the purpose of exercising appellate jurisdiction in arbitration proceedings and to transact other business provided in this act, two State Workmen's Insurance Offices are established with official seats in Budapest and Agram, under the supervision of the minister of commerce and of the ban of Croatia-Dalmatia-Slavonia, respectively. The expenses thereof are chargeable to the State or to Croatia-Slavonia, respectively, and are to be incorporated in the annual budget of the ministry of commerce or of the provincial government of Croatia-Slavonia.

The organization, jurisdiction and activity of the State Workmen's Insurance Office to be established for the territory of Croatia-Slavonia with an official seat in Agram shall be governed by the provisions of this act, excepting the provisions relating to the positions to be created in this office and their salary classification, which shall be provided for by the provincial legislature.

ART. 169. The State Workmen's Insurance Office is composed of its president and vice-president, whose offices are ranked in the salary classes 4 and 5 established by Act IV of 1893; it is also composed of the insurance section and the judicial section.

The insurance section has charge of the business connected with the supervision and control of insurance funds, as well as of all business connected with the professional direction and management of insurance, as provided in this act, and consists of the divisions of insurance, bookkeeping and statistics. It is likewise the object of this section to make rules for the prevention of accidents upon consultation with the representatives of the interested branches and lines of industry, and to supervise the same through insurance inspectors.

The staff of this section is classified in the budget under like grades and the same salary classes as the positions on the clerical and bookkeeping force of the ministry.

The judicial section which is the court of last resort in controversies over benefits and compensation to be granted under this act, consists of professional judges and non-professional judicial members. The personnel of professional judicial members is to be classified in the budget, under salary classes 6 and 7, fixed in Act IV of 1893.

ART. 170. In the appointment of the president or vice-president care must be taken that one of the two should qualify in accordance with article 3 of Act I of 1883 and



the other in accordance with article 10 of the same act, and should have been in the civil service for at least three years previous.

The clerical force of the insurance section and the professional judicial members of the judicial section are to be appointed, one-half from the persons possessing the qualifications enumerated in article 3 of the said act or article 7 of Act IV of 1869, and the other half from persons possessing the qualifications enumerated in article 10 of Act I of 1883. Lastly, positions on the bookkeeping and statistical force of the insurance section may be filled by persons possessing the qualifications enumerated in article 17 of the said act.

The president and vice-president, the judges, the officials holding positions in the office ranked in the sixth or higher salary class are appointed by the Crown; other officials belonging to the clerical, bookkeeping, and statistical force are appointed by the minister of commerce; the inferior clerical employees, however, as well as the laborers and servants are appointed or engaged by the president of the office.

The order of business of the State Workmen's Insurance Office and the rules of discipline for the employees of the office are fixed by the minister of commerce, upon understanding with the minister of justice, by executive order, such executive order to be laid before the legislature.

The president and vice-president as well as the members of the insurance and judicial sections of the office can not against their will be removed or appointed to another office, or pensioned before attaining their sixty-fifth year of age, unless it has been established by findings in a disciplinary proceeding that the person in question has been permanently incapacitated by bodily or mental infirmity to fill his position, or unless his official position has been abolished by law.

The disciplinary court designated in article 35 of Act VIII of 1871 has disciplinary jurisdiction over the president and vice-president; the greater disciplinary senate of the State Workmen's Insurance Office, over the members of the insurance and judicial sections; the lesser disciplinary senate of the office, over the permanent force of inferior clerical employees and office help.

The disciplinary senates are composed in addition to the president or the vice-president of the office, of regular members, serving as disciplinary judges, and substitutes in equal number, elected by a secret vote of the insurance and judicial sections from their own midst, for three years, to wit: Two each for the greater senate and one each for the lesser. Upon their election, the regular members, in plenary session, take an oath or pledge to fulfill impartially their duties. Should a regular member of the disciplinary senate be under charges, his seat is taken by the elected substitute member of the section in question, who must in such case likewise take an oath or pledge.

The president or vice-president of the office has disciplinary jurisdiction over the temporary force of inferior clerical employees and laborers.

ART. 171. The nonprofessional members of the judicial section of the State Workmen's Insurance Office, to wit, at least twenty regular and ten substitute members, are elected for three years, separately by the representatives of the employers and the employees in the National Workmen's Sickness and Accident Insurance Fund, from their own midst, one-half from the ranks of employers, one-half from the ranks of employees.

The method of election and the procedure to be followed in the election are fixed in the constitution of the Fund.

Members of the board of directors and supervising council may not be elected to membership in the Court of Arbitration.

The minutes of the court are kept by a secretary designated by the president from among the officials of the State Workmen's Insurance Office.

The provisions contained in the second and the third paragraph of article 160 of this act, as well as in articles 161, 162, and 164, likewise apply to the nonprofessional judicial members elected to the judicial section and except that the duties and powers conferred by said paragraphs upon the president of the Court of Arbitration, devolve upon the State Workmen's Insurance Office.

ART. 172. It is the duty of the State Workmen's Insurance Office besides attending to other matters assigned to it by this act, to keep a record of the District Workmen's Insurance Funds and establishment sick funds operating under this act, to compile the statistics of the above funds and of the National Workmen's Sickness and Accident Insurance Fund, to supervise and control the conduct of the National Workmen's Sickness and Accident Insurance Fund and District Workmen's Insurance Fund, and to decide on all disputes relating to insurance which arise either between the District Workmen's Insurance Funds and the establishment sick funds, or between the National Workmen's Sickness and Accident Insurance Fund, on the one hand, and the District Workmen's Insurance Funds or the establishment sick funds, on the other.

**ART. 173.** At least once a year the State Workmen's Insurance Office must make a thorough and searching examination on the spot into the administration of the business and property, the books, records, correspondence, and documents of the National Workmen's Sickness and Accident Insurance Fund as well as of the District Workmen's Insurance Funds and the establishment sick funds.

Besides, it may undertake an unexpected accounting, and may further demand, at the time, the production of balance sheets and statements regarding their business, membership and patients, taking care in this way that the National Workmen's Sickness and Accident Insurance Fund as well as the district funds and establishment funds shall observe the provisions of the law, the constitution, and other regulations, shall fulfill their lawful duties, observe necessary economy in expenses for management, and apply their income exclusively to their objects as stated in the law.

The State Workmen's Insurance Office may at any time order a meeting to be called of the self-governing bodies of the funds or it may itself call a meeting of these bodies, participate in their meetings and deliberations through its representative, and even have the meetings conducted by one of its officials.

In case the self-governing bodies of the funds are constituted contrary to law or regulations, or in case the self-governing bodies proceed in a manner contrary to law or regulations, or prejudicial to the interest of the insurance, or in case the self-governing bodies engage in business outside of the scope of the insurance, the State Workmen's Insurance Office may dissolve these bodies, order a new election of the same, and forbid for sufficient reasons the reelection of the members of the dissolved self-governing bodies or administer the fund through officials of the insurance office at the expense of the bodies or funds derelict in their duties.

**ART. 174.** If the members of the funds and the employers, as well as the funds themselves, refuse to elect the General Meeting of the fund or to elect delegates to the General Meeting, or members of the board of directors, supervisory board, or Court of Arbitration, the State Workmen's Insurance Office may fill the vacancies in the self-governing bodies temporarily until the election, to be proceeded with in accordance with the law or the constitution.

**ART. 175.** The State Workmen's Insurance Office may of its own motion set aside any decision or order of the self-governing bodies of the funds which conflicts with the law or rules and regulations in force, or with the aims and objects of the fund, and may, by its own authority, make such dispositions as may be necessary in order to secure compliance with the statutes or regulations in force, or to further the aims and objects of the funds, pending proper disposition by competent self-governing bodies of the funds.

The State Workmen's Insurance Office has likewise the right to impose fines not to exceed 600 crowns [\$121.80] upon the self-governing bodies or persons charged with the enforcement of the statutes or lawful regulations.

The fine so imposed is to be recovered by administrative order in like manner as public taxes.

**ART. 176.** If there be evidence of a crime or misdemeanor in the conduct of the funds, the State Workmen's Insurance Office must forthwith inform the proper court thereof.

The office may at any time represent the National Workmen's Sickness and Accident Insurance Fund in court.

**ART. 177.** The State Workmen's Insurance Office shall make annual reports and in addition thereto separate quinquennial reports to the minister of commerce on the conduct and condition of the funds; this report is to be laid before the legislature.

**ART. 178.** In its judicial capacity the State Workmen's Insurance Office has appellate jurisdiction over the awards of the Court of Arbitration.

The proceedings of the State Workmen's Insurance Office on such appeals are oral and public; the National Workmen's Sickness and Accident Insurance Fund, the district funds and establishment funds, as well as the parties claiming compensation, may appear therein personally or by counsel.

The procedure, the examination of experts and physicians, and the costs arising therefrom, as well as attorneys' fees, likewise the right of representation by counsel, are governed, as far as applicable, by the provisions made for the proceedings before the Court of Arbitration.

**ART. 179.** The judicial section of the State Workmen's Insurance Office renders judgment in closed session in a senate of seven.

The senate consists, besides the president or the vice-president of the office as chairman, of two appointive members, one with administrative or judicial qualifications and one with technical qualifications, and in addition thereto of two members elected by employers and two elected from the ranks of the insured persons.

The elected members of the senate are summoned in rotation to the sessions by the president.



Decisions are rendered by a majority vote and are announced in the name of the office. In case of a tie, the president casts the deciding vote.

Its judgments are executed by the Royal District Court having jurisdiction of the defeated party.

ART. 180. If a doubt arises regarding the relationship between the insured person who has died in consequence of an accident and the persons claiming compensation, the State Workmen's Insurance Office, before deciding upon the merits of the claim, must refer the interested parties to the ordinary judicial remedies, in order to determine their title to the claim.

In such cases the workmen's insurance office renders its decision upon the compensation in issue, in conformity with the final judgment of the court.

ART. 181. All the decisions of the self-governing bodies of the funds established under this act, which are appealable under the act, as well as the awards and judgments of the Courts of Arbitration, lastly the decisions rendered by the State Workmen's Insurance Office in insurance matters and the awards and judgments rendered by it in its judicial capacity, are to be served within 8 days, in writing, upon the parties and funds interested.

The time for appeal, except as otherwise provided by law, is 15 days, counting from the day following the service of the decision, award, or judgment. Appeals must be filed with those funds or Courts of Arbitration from whose decision they are taken. Appeals from the decisions of the National Workmen's Sickness and Accident Insurance Fund, however, may also be filed with the proper District Workmen's Insurance Fund or establishment sick fund. Appeals are to be made in writing; they may also, however, be delivered orally to those funds or Courts of Arbitration by which the appealable decisions, awards, or judgments have been rendered. If the appeal is served by mail, the moment of posting the same is decisive in point of time for appeal.

The right of appeal belongs only to the persons interested in the decisions, awards, or judgments. An appeal filed or taken orally within the time prescribed by law, where no exception is made by the law, stays the execution of the decision, award, or judgment.

The minister of commerce is empowered, upon understanding with the minister of the interior and the minister of justice, to make further provisions regarding the procedure and remedy set forth in this article, as well as the rules of evidence and of new trials, which are to be conformable to the procedure followed in industrial matters by the officials who enforce the industrial law.

ART. 182. No further remedy lies against orders made and decisions, awards, and judgments rendered by the State Workmen's Insurance Office within its jurisdiction as defined by this act. This provision is no bar, however, to the ordinary judicial remedies, in so far as said decisions, awards, and judgments affect the rights and duties of third persons standing in contractual relations to the funds or persons deriving their claims from other civil-law titles, and not the rights and duties of the funds and its members, as well as of the insured persons and employers prescribed in this act and within the discretion of the said office.

#### PART IV.

#### PROVISIONS OF MISCELLANEOUS CHARACTER; PENAL, TRANSITIONARY, AND CONCLUDING PROVISIONS.

##### TITLE XVI.—*Prevention of accidents.*

ARTICLE 183. The supervision of the observance of all precautions required for the protection of the life and health of the employees and the prevention of accidents, as far as possible by the several establishments participating in the accident insurance (Act XVII of 1884 and Act XXVIII of 1893), is exercised by the factory inspectors who proceed in this matter pursuant to the provisions of Act XXVIII of 1893.

Such supervision over railroad and navigation establishments; mining, smelting, and tobacco manufacturing establishments; postal, telegraph, and telephone establishments; waterworks, pumping stations of water regulating and water supply companies, is intrusted to the Superior Royal Railway and Navigation Inspectorate, the Royal Intendancies of Mines, the special officials of the tobacco revenue, the Royal Hungarian Postal Administration, the district waterworks inspectors, or the proper officials of the offices of river engineering and agronomical engineering.

In case the board of directors of the National Workmen's Sickness and Accident Insurance Fund, or a District Workmen's Insurance Fund in any specific case, deems a special inspection of a particular establishment necessary in order to ascertain

whether the accident which has occurred has been due to lack of precautions or whether more adequate preventive measures should have been applied in said establishment, an application for the making of such an inspection may be made to the proper royal factory inspector, the Superior Railway and Navigation Inspectorate, the Intendancy of Mines, the Central Board of Tobacco Revenue, or the proper officer of the Postal Administration and the Royal Hungarian Board of Waterworks; it is the duty of said authorities to act upon such application within the shortest time possible and immediately to communicate the result of its action to the fund by which the application has been made.

The National Workmen's Sickness and Accident Insurance Fund may likewise supervise the establishments participating in sickness insurance or cause the same to be supervised from the point of view of industrial hygiene.

The expenses caused by a special inspection performed in response to such an application are charged to the National Workmen's Sickness and Accident Insurance Fund.

In case the board of directors of the National Workmen's Sickness and Accident Insurance Fund, upon the report from the factory inspector, the Railway and Navigation Inspectorate, the Intendancy of Mines, the Central Board of Tobacco Revenue or of an officer of the Postal Administration, or the Royal Hungarian Board of Waterworks, deems it necessary to take steps with regard to the establishment in question, it requests the officials who enforce the industrial law having jurisdiction of the matter, under Act XVII of 1884, to order the same, or it petitions the minister of commerce regarding the railway, navigation, postal, telegraph and telephone establishments; the minister of finance, regarding mining, smelting, and tobacco manufacturing establishments, and the minister of agriculture regarding the waterworks and pumping stations of water regulating and water supply companies.

The National Workmen's Sickness and Accident Insurance Fund may also apply for the issue of general precautionary regulations. It submits its recommendations to this effect, through the State Workmen's Insurance Office, to the minister of commerce, the minister of finance, or the minister of agriculture, who decides upon them.

ART. 184. In case an employer disregards the regulations for the prevention of accidents or fails to provide the prescribed safety appliances, the board of directors of the National Workmen's Sickness and Accident Insurance Fund may enroll his establishment in a higher class of the risk table, independently of the proceedings to be instituted against him under article 183 of this act, or in case the latter is already enrolled in the highest risk class, it may assess the establishment, at double the regular tariff rate.

An appeal may be taken to the State Workmen's Insurance Office, from such decision of the board of directors. When said decision becomes final, notice thereof must be given to the employer and the proper District Workmen's Insurance Fund.

An insured person who fails to observe the prescribed regulations for the prevention of accidents or fails to make use of the safety appliances placed at his disposal or commits acts prohibited by the labor regulations made or approved by the authorities, may be fined by the officials who enforce the industrial law, for the first offense not more than 5 crowns [\$1.02], in case of repeated offense, not more than 10 crowns [\$2.03]. This fine must be deducted from the wages of the insured person and paid by the employer. The sum deducted may not exceed one-fourth of a single wage payment.

ART. 185. The preventive and prohibitive regulations are to be posted by the employer in an easily accessible place in all the workrooms of the establishment, both in the official language of the State and in the language of the majority of the workmen employed.

Moreover, machinery pronounced dangerous by the royal factory inspector must, in addition to the safety appliances in use, be provided with a warning, in terms prescribed by the royal factory inspector.

The warnings to be posted must be submitted for approval to the royal district factory inspector.

A similar authority over the works and establishments named in the second paragraph of article 183 is vested in the authorities and official bodies named therein.

Whoever unlawfully removes, impairs, or disfigures the preventive regulations, prohibitions, or warnings posted in accordance with this article is to be punished by the officials who enforce the industrial law, in the manner set forth in the last paragraph of article 184. In case the fine is imposed upon an employee, the provision contained in the last paragraph of the said article regarding the recovery of fines by deduction from wages is likewise applicable.

ART. 186. With regard to business secrets of the establishments disclosed in the course of the proceedings or upon inspection, the strictest secrecy is enjoined upon the members, delegates, and employees of the board of directors of the National Workmen's Sickness and Accident Insurance Fund, of the District Workmen's Insurance Fund, as well as of the establishment sick funds; upon the associates

and employees of the Courts of Arbitration and the members and officials of the State Workmen's Insurance Office; likewise upon the experts called into the proceedings under this act. They must take an oath to that effect.

In case secret information has been divulged by an employee of the National Workmen's Sickness and Accident Insurance Fund or of a Court of Arbitration, or by an official of the State Workmen's Insurance Office, the offender is to be forthwith dismissed from office, besides incurring the penalty provided in article 191 of this act and the forfeiture of all rights acquired under this act. Elected officers forfeit their office and can never be reelected, physicians and experts must never again be consulted by the National Workmen's Sickness and Accident Insurance Fund, the district funds or establishment funds, or by the Court of Arbitration or the State Workmen's Insurance Office.

The National Workmen's Sickness and Accident Insurance Fund as well as the district funds and establishment funds and their officers can accept no orders from the state fiscal authorities in any respect whatsoever.

#### **TITLE XVII.—*Penal Provisions.***

**ARTICLE 187.** Except where a higher penalty is provided by law, the following persons are guilty of a misdemeanor punishable by a fine not to exceed 10 crowns [\$2.03]:

(a) an employer who does not report, or does not report within the time set by statute or in accordance with the regulations, the commencement of employment by his employee subject to compulsory insurance, the change which has taken place in the relation of employer and employee, or the leaving of employment by the employee reported;

(b) an employer who does not observe the orders regarding the form and issuance of the membership certificates;

(c) an employer who does not report, or does not report within the time set by law or in accordance with the regulations, the changes which have taken place in the person of the proprietor of an establishment subject to compulsory accident insurance.

**ART. 188.** Except where a higher penalty is provided by law, the following persons are guilty of a misdemeanor punishable by a fine not to exceed 40 crowns [\$8.12]:

(a) an employer who reports the salary or wages of an employee subject to compulsory insurance as being above or below the actual amount;

(b) a member of a fund who claims any benefit whatever from the fund through shamming illness or in any other unlawful manner.

**ART. 189.** Except where a higher penalty is provided by law, the following persons are guilty of a misdemeanor punishable by a fine not to exceed 100 crowns [\$20.30], and in case of repetition, by a fine not to exceed 200 crowns [\$40.60]:

(a) an employer who aids in the injury of the fund through his employees shamming illness or through any other unlawful action;

(b) an employer who, in the case provided for in article 42, has deducted one-half of the contributions or the membership certificates from the employee's salary or wages, has not, however, delivered them to the fund when they are due;

(c) an employer who, in case his employees have done their full duty in giving him notice, hinders them in fulfilling their duties as associates of the Court of Arbitration or as members of the State Workmen's Insurance Office; further, one who does not fulfill the provisions of article 185 of this act as to posting up the safety regulations and prohibitions.

**ART. 190.** Except where a higher penalty is provided by law, the following persons are guilty of a misdemeanor punishable by a fine not to exceed 200 crowns [\$40.60], and in case of repetition by a fine not to exceed 400 crowns [\$81.20]:

(a) an employer who makes a contract with his employee in violation of this act, or otherwise makes unlawful deductions from his employee's salary or wages, or deducts more or at a later time than he has a right to;

(b) an employer who does not report or does not report within the time set by law or in accordance with the regulations, the changes which have taken place in an establishment subject to the compulsory accident insurance;

(c) an employer who willfully makes untrue statements in delivering to the fund the data necessary for apportioning the amounts of the contributions for accident insurance and capitalization of benefits;

(d) an employer who does not keep regular pay rolls or does not preserve the same for the prescribed length of time; likewise an employer who refuses to give the officers sent out by the State Workmen's Insurance Office, the royal factory inspector, the

National Workmen's Sickness and Accident Insurance Fund, and the Courts of Arbitration the necessary explanations, hinders the local investigation, or refuses to let them examine the proper detailed registers and lists;

(e) an employer who does not satisfy the provisions of this act regarding the reporting of accidents, or has not sent for a physician to attend to a person injured through accident, immediately upon receiving information of the accident.

ART. 191. Except where a higher penalty is provided by law, the following persons are guilty of a misdemeanor punishable by a fine not to exceed 600 crowns [\$121.80] and imprisonment for two months:

(a) An employer who commits abuses in issuing the membership certificates;

(b) whoever violates the duty of secrecy specified in the first paragraph of article 186 or unlawfully imitates industrial methods which have come under his observation.

In cases of misdemeanor named in this article, proceedings are instituted only upon application of the injured party. Proceedings instituted under this article have no bearing upon the claim to compensation which the plaintiff can enforce against the violator of the secrecy.

ART. 192. In case an employer employs in his business or undertaking a manager registered in the industrial register (article 178 of Act XVII of 1884), the manager is liable for the actions or the negligence deemed violations of this act.

Should the delay, however, or the unlawful action have been committed with the employer's knowledge, the penal provisions under this act are to be enforced against the employer also.

In both cases the financial liability resulting from such violations devolves upon the employer.

The fines specified under this act are collected by executive order in like manner as public taxes and accrue to the National Workmen's Sickness and Accident Insurance Fund, which administers them separately. These fines are used for establishing hospitals, homes for convalescents and sanatoria and may be used for no other purpose.

Article 23 of Act XX of 1901 is here applicable with regard to the use of fines for violations imposed and collected under this act as well as regarding the fines imposed in the course of the proceedings for violations.

#### TITLE XVIII.—*Relations to other officials.*

ARTICLE 193. The procedure specified in the industrial law shall be followed in matters placed by this act within the jurisdiction of the industrial officials named in Title VII of Act XVII of 1884, and in case of cities with municipal officers acting as officials of first instance, within the jurisdiction of the officials named in article 13, subdivision 1 [2], of Act XX of 1901.

The police authorities have jurisdiction in the matter of the penalties contained in Title XVII of this act and in regard to the prosecution of misdemeanors arising from violations of police ordinances through neglect to make the reports of accidents to police officials as required by article 84 of this act.

ART. 194. In matters lying within the jurisdiction of the officials who enforce the industrial law, the jurisdiction under that law is conclusive:

(a) in all matters arising under this act, between the employer and the employee;

(b) in matters of violations.

In controversies, however, arising under this act between the District Workmen's Insurance Funds or the establishment sick funds and an employer or a member, the industrial officials having jurisdiction according to the locality of the fund, have jurisdiction and that, too, in case the district of the fund extends over the territory of several industrial officials, and the remaining industrial officials are bound to execute their lawful orders.

ART. 195. The administrative and industrial officials are bound to comply with the applications sent in to them, under this act, by the National Workmen's Sickness and Accident Insurance Fund and the District Workmen's Insurance Funds and establishment funds serving as its local administrative bodies, as well as by the chairmen of the Courts of Arbitration established under this act and by the State Workmen's Insurance Office, and to assist the above-named offices in their work.

#### TITLE XIX.—*Transitional provisions.*

ARTICLE 196. The industrial guilds and private association sick funds established under Act XIV of 1891—unless the latter funds have been in existence for at least a year prior to this act taking effect and the number of their members has exceeded 800 in the last year—are dissolved upon this act taking effect, and the insurance of their members is taken over by the District Workmen's Insurance Funds in accordance with the detailed records which have been kept.



After liquidation has been taken up and the debts have been discharged by the delegates of the District Workmen's Insurance Fund and the industrial officials of the first instance intrusted with the supervision under Act XIV of 1891, the property of the dissolved funds along with the documents and papers bearing thereupon, must be transferred to the National Workmen's Sickness and Accident Insurance Fund. Unpaid debts, if any, are charged over to the sick benefit account of the National Workmen's Sickness and Accident Insurance Fund. In case the position occupied by them in the dissolved fund has been their chief occupation, the officials and servants employed for definite services in the dissolved funds will be employed by the National Workmen's Sickness and Accident Insurance Fund at a remuneration corresponding to the income received by them throughout the year prior to this act taking effect.

In case the general meeting of the dissolved fund wishes to use its remaining property for any local purpose relating to workmen's insurance and adopts a resolution to that effect with a designation of the object, the National Workmen's Sickness and Accident Insurance Fund is required to use the property turned over for the local purpose specified.

Whether or not placed under the trusteeship of the dissolved organizations for a specified purpose, endowments and likewise other property constituting the assets of those guilds, associations, and private persons that maintain a fund, may be transferred to the National Workmen's Sickness and Accident Insurance Fund with the consent of those having a right thereto, and are thereafter to be also used for local purposes in keeping with the original purpose. Controversies arising over the ownership of the property in question are to be decided by regular legal procedure.

The State Workmen's Insurance Office fixes the procedure to be observed in liquidation, in dissolution, as well as in the transfer of the insured members and the remaining property and in managing and using the property mentioned in the third paragraph.

ART. 197. The existing building trades sick funds are likewise dissolved when this act takes effect and pursuant to the provisions of article 135 of this act are to be placed under the management and financial administration of the District Workmen's Insurance Funds.

ART. 198. Even in case they have been established by several undertakings jointly, the establishment or factory sick funds existing at the time this act takes effect and likewise the private association sick funds continuing to exist in accordance with article 196, must change their constitution within three months from the time this act takes effect.

In case the establishment or factory or private association sick funds have failed to change their constitution within the time set or in case the average yearly membership of the private association sick funds has fallen below 600, they are to be dissolved according to the procedure specified in article 196, paragraphs 2 to 5.

In issuing sick benefits to their members, the private association sick funds continuing to exist in accordance with article 196 proceed according to the method fixed for establishment funds in article 140 of this act and the more detailed provisions specified in the constitution of the National Workmen's Sickness and Accident Insurance Fund and in their own constitutions. As to the autonomous organization and activity of these funds, the provisions of Title XI of this act referring to District Workmen's Insurance Funds, are to be adequately applied. From these provisions is exempted, except as otherwise provided in this act, the sick fund of the Francis Joseph Hospital of the Budapest Mercantile Sick Relief Society, which is not to deliver its cash on hand to the National Workmen's Sickness and Accident Insurance Fund but may use the residuary amount, if any, for the maintenance of its hospital or the establishment of other institutions devoted to the relief of its members. The jurisdiction of the National Workmen's Sickness and Accident Insurance Fund over the above fund extends only to the determination of the minimum amount of benefits to be given and the maximum amount of sick insurance contributions to be paid, while the remaining rights and activities of the national fund with regard to the said fund are exercised directly by the State Workmen's Insurance Office.

The proper change in the constitution of the District Workmen's Insurance Funds to be made by the general meeting shall be arranged for by the State Workmen's Insurance Office.

The State Workmen's Insurance Office shall issue a model constitution for District Workmen's Insurance Funds and establishment sick funds.

ART. 199. The assets, accumulated before this act has taken effect and determined according to the second paragraph of article 196, of the District Workmen's Insurance Funds and establishment sick funds existing at the time this act takes effect, as well as the assets of the private association sick funds continuing to exist in accordance with the first paragraph of article 196, remain also thereafter under the management of these

funds, are to be managed under separate account, and are to be used for the insured members' sick benefit needs which are to be determined by the general meeting of the fund in question, with the approval of the State Workmen's Insurance Office.

ART. 200. The insurance contracts which the employers of establishments, who are subject to compulsory accident insurance in accordance with this act, have entered into regarding the accident insurance of their employees up to and including June 30, 1906, devolve upon the National Workmen's Sickness and Accident Insurance Fund, if the employer holding the insurance, reports the contracts to the board of directors of the fund within a month from the beginning of the operation of the National Workmen's Sickness and Accident Insurance Fund.

In this case the National Workmen's Sickness and Accident Insurance Fund is required as they fall due, to meet the insurance premiums for the insurance as per contract, while the compensations to be provided under the contract assumed, in case of accidents, accrue to the fund.

The charges arising from the assumption of such contracts are to be placed to the account of the ordinary expenditures of the National Workmen's Sickness and Accident Insurance Fund and are to be apportioned and charged to the account of the employers in proportion to their contributions.

ART. 201. In order to enable the National Workmen's Sickness and Accident Insurance Fund to commence its activity, the minister of finance is empowered to place at its disposal an adequate advance from the resources on hand, which advance the fund is to pay back within four years. For this purpose, pending the repayment of the advance, the board of directors of the fund may, in a manner to be determined with the approval of the State Workmen's Insurance Office, impose upon the employers, beside their regular contributions, also special contributions which the employers are to pay in the same manner as their regular contributions. The special contributions are regarded as advanced on the insurance expenditures of the following year and, accordingly, pending the complete repayment of the advance, are to be proportionately included in the regular insurance contributions which the employers are to pay during the years following the commencement of operations of the fund.

For the initial outlays of its establishment a state subsidy is voted the National Workmen's Sickness and Accident Insurance Fund from moneys not otherwise appropriated. This subsidy must not exceed the actual costs of establishment, nor more than 200,000 crowns [\$40,600] and its disbursement is ordered by the minister of finance when the accounts are submitted and with proper vouchers.

#### TITLE XX.—*Final provisions.*

ARTICLE 202. The National Workmen's Sickness and Accident Insurance Fund, the district funds, establishment funds, and private association funds are not classed among the associations formed under the commercial law.

The following are exempt from stamp duties and other fees: All transactions and records in connection with the transaction of the legal relations existing under this act, between the National Workmen's Sickness and Accident Insurance Fund, the District Workmen's Insurance Funds, the establishment as well as the private association sick funds and their members, likewise between the employer and the employee, similarly the account books of the funds as well as all documents save promissory notes, and, aside from litigation—under which the proceedings of the Court of Arbitration under this act do not come—all statements, reports and petitions which are drawn up or submitted under this act.

The National Workmen's Sickness and Accident Insurance Fund as well as the district funds and the establishment and private association sick funds, as far as the buildings used for their own benefit are concerned, are exempted from the house tax; further from the profit, interest, and pension tax; from the general surtax on the income tax, and from the state, municipal, and communal surtax on the income tax; from the transfer taxes and the chamber of commerce and chamber of industry fees; also from the fee equivalent as regards their movable property. The same exemption applies to sick benefits and accident pensions received under the operation of this act.

ART. 203. The contributions and total expenses to be made under this act by undertakings and organizations coming under Act XXIV of 1875 and obliged to make their accounts public; by the mining undertakings, coming under Act XXVII of 1875, as well as by persons engaged in industry, commerce, and manufacture subject to Class III of the profit tax, and by other undertakings, are regarded as industrial expenditures which are to be deducted, under article 4 of Act XXII of 1875 and article 6 of Act XXVII of 1875, in determining the gross income of the undertakings, or, under article 15 of Act XXIX of 1875, in computing net profits.



ART. 204. In communicating with each other and with officials, offices, and bodies possessing the franking privilege, the National Workmen's Sickness and Accident Insurance Fund, the District Workmen's Insurance Funds, and the establishment and private association sick funds enjoy the same exemption from postage to which the above-named officials are entitled; in the intercourse with other administrative and industrial officials as well as with members and employers, the funds have the same exemption from letter postage under the regulations concerning exemption from postage.

ART. 205. This act takes effect on July 1, 1907. Commencing with that date, articles 142 and 143 of Act XVII of 1884, as well as Act XIV of 1891, are abrogated.

ART. 206. Together with the provisions of this act, the third paragraph of article 15, Act XIV of 1876, and the provisions of article 9 of Act XXI of 1898, regarding the jurisdiction of the above acts, shall remain in force hereafter.

ART. 207. Until the outlays in connection with the establishment of the State Workmen's Insurance Office ordered in Title XV of this act can be entered in the state budget, the minister of commerce is empowered to establish this office on the credit incorporated for this purpose under the title, "Industry and Commerce Items" in the preliminary budget of the ministry of commerce for the year 1907.

The ministry is likewise empowered, paying due regard to the local conditions, to promulgate this act in the city and district of Fiume by executive order.

ART. 208. In Croatia-Slavonia it is reserved for the autonomous legislature to extend compulsory insurance, under the conditions specified in articles 1, 3, and 10 of this act, to the persons employed in theaters, pharmacies, medical and similar institutions (article 1, subdivision 2), as well as in public institutions, national, municipal, communal and institutional offices (article 1, subdivisions 13 and 14), and finally in the institutions specified in article 1, subdivisions 15 and 16.

Moreover, in the said provinces the ban of Croatia-Slavonia-Dalmatia has jurisdiction over the provincial government's expenses for the organization and establishment of the National Workmen's Sickness and Accident Insurance Fund and the State Workmen's Insurance Office of that territory; furthermore, over all matters reserved to the minister of commerce under this act.

In Croatia-Slavonia the officials of the first instance are designated by the ban of Croatia-Slavonia-Dalmatia in conformity with the local administrative organization, and the ban likewise designates the administrative bodies which may be intrusted, under article 129, with the activities to be placed under the jurisdiction of the communes.

As regards the qualifications of the members to be appointed to the State Workmen's Insurance Office which is to be established in Agram, the provisions in force there are applicable. The disciplinary power over the chairman and vice-chairman is to be specified in the provincial legislation.

Likewise the jurisdiction reserved, under this act, for the minister of justice as regards the appointment of the chairmen and vice-chairmen of the Courts of Arbitration of the first instance and the determination of their fees, in Croatia-Slavonia devolves upon the ban, and the latter designates, in accordance with the last paragraph of article 159, the proper judicial bodies to supervise the conduct of the business of the Courts of Arbitration. As regards the use of the penalty moneys and fines mentioned in the last paragraph of article 192 as well as regarding the procedure of the officials who enforce the industrial law and the police officials, mentioned in article 193, the orders there in force are applicable for Croatia-Slavonia.

All provisions of this act pertaining to the knowledge and use of the Hungarian language do not apply to the Kingdoms of Croatia-Slavonia.

ART. 209. The execution of this act is intrusted to the minister of commerce who proceeds upon understanding with the ministers of the interior, justice, and agriculture; in Croatia-Slavonia it is intrusted to the ban of Croatia-Slavonia-Dalmatia; for the whole domain of the Royal Hungarian Crown, the financial administration is intrusted to the minister of finances.

## ITALY.

### CODIFIED TEXT OF THE LAW RELATING TO INDUSTRIAL ACCIDENTS TO WORKMEN.<sup>(a)</sup> [CODIFICATION APPROVED BY ROYAL DECREE NO. 51, JANUARY 31, 1904.]

#### CHAPTER I.—*The limits of the application of the present law.*

ARTICLE 1 (article 1, law of June 29, 1903, No. 243; royal decree of January 10, 1904, No. 4).

The present law applies to workmen engaged:

1. In mines, quarries, and peat deposits and in the loading, transportation, and unloading of the excavated material; in the construction and demolition of buildings, and in the loading, transportation, and unloading of material entering into construction or obtained by demolition of buildings; in gas, electrical, and telephone establishments; in the installation, repair, and removal of electric conductors and lightning rods; in industries in which explosive materials are employed or applied; and in arsenals and dockyards for construction of seagoing vessels.

2. In the following establishments or construction enterprises whenever there are employed more than five workers: The construction and operation of railways or tramways with mechanical traction; transportation by land, river, canal, or lake; maritime navigation, including fisheries conducted more than ten kilometers from the shore, and all sponge and coral fishing; loading and unloading; irrigation and drainage; leveling hills and repairing landslides; the cutting and trimming of forest trees, and their transportation to the regular storage points on the banks of rivers and streams, or on the highways, and their transportation from the places of storage along the rivers and streams; the construction and repair of ports, canals, and dams; the construction, repair, and demolition of ships; the construction and repair of bridges, tunnels, and public highways, national, state, and municipal.

3. In industrial establishments where machinery is used: Provided, 1st, That the machinery is not driven directly by the workmen employed thereon, and 2nd, that more than five workers are employed in the establishment.

4. In work about a machine driven by an inanimate agency, or about the motors of the same, when the machines are intended for industrial or agricultural purposes.

5. In service with cannon and other similar implements when used to break up hailstorms.

The law is also applicable to employees of the commissary department of the navy.

ART. 2 (article 2, law of March 17, 1898, No. 80; article 2, law of June 29, 1903, No. 243). For the purposes of this law the following are considered as workmen:

1. Whoever is, whether permanently or temporarily, employed in labor outside of his own domicile, either at fixed time wage or piece wage.

2. Whoever, under similar conditions, supervises the work of others without actually taking part in the work himself; provided his salary does not exceed 7 lire [\$1.35] a day, which is paid at least once a month.

3. An apprentice, with or without pay, who takes part in the execution of the work.

4. Whoever is engaged in agricultural work as far as he is employed in tending machinery or cannons and other implements as specified in paragraphs 4 and 5 of the preceding article.

#### CHAPTER II.—*Regulations for the prevention of accidents.*

ARTICLE 3 (article 3, law of March 17, 1898, No. 80). The heads or managers of the undertakings, establishments, and construction enterprises specified in article 1 must adopt the various measures prescribed by the laws and regulations for the prevention of injury and the protection of life and personal security among the workers.

<sup>a</sup> Infortuni degli operai sul lavoro, Annali del Credito e della Previdenza, 1904, No. 55, pp. 1-30. Roma, 1904.

In absence of special regulations establishing the penalties to be imposed upon persons failing to comply with the law, they shall be punished in accord with article 434 of the Penal Code, without prejudice to their civil and criminal responsibility in case of accident.

ART. 4 (article 4, law of March 17, 1898, No. 80). The minister of agriculture, industry, and commerce having taken into consideration the opinions of the individual or collective heads and managers of the establishments, undertakings, and construction enterprises, as specified in article 1 and having consulted the expert state commission, shall formulate the regulations referred to in the preceding article, these regulations shall be approved by a royal decree after having been submitted to the council of state. These regulations may be modified in conformance with the rules concerning their original elaboration.

In the same manner special regulations may be approved and made obligatory for single establishments or groups of establishments at the request of the heads of such establishments.

ART. 5 (article 5, law of March 17, 1898, No. 80). The minister of agriculture, industry, and commerce shall enforce the observance of the measures for prevention of accidents contained in special laws, the regulations concerning establishments, undertakings, and construction enterprises, as specified in the preceding articles, and of the duties imposed by the present law.

For the purpose of supervising the preventive regulations, the minister, in addition to the state officials, shall call mainly upon the technical employees of the associations for the prevention of accidents as well as those of the mutual insurance associations.

The inspectors in charge of the inspection of factories and docks may take cognizance of the original insurance contract. They shall abstain, as far as possible, from inquiring into such processes of manufacture as are to be kept secret, and shall maintain secrecy concerning those matters which they have learned in their official capacity, under the penalty of a fine of 500 to 1,000 lire [\$96.50 to \$193], in addition to compensation for damages, and in cases of fraudulent revelation of such secrets, to such penalties as are specified in article 298 of the Penal Code.

Inspectors or deputies are forbidden to engage, on their own account or on account of a third party, in any establishment, undertaking, or construction enterprise, or to be interested or employed in such enterprise as engineers, chemists, physicians, or mechanics.

### CHAPTER III.—*Insurance.*

ARTICLE 6 (article 6, law of March 17, 1898, No. 80; article 3, law of June 29, 1903, No. 243). Workmen enumerated in article 1 must be insured against industrial accidents in conformity with the requirements of the present law.

The duty of insuring the workmen is also obligatory for undertakings, establishments, and construction enterprises conducted by the State, provinces, municipalities, or associations of such, or by companies, or individual entrepreneurs who have obtained franchises from the same.

In undertakings, establishments, and construction enterprises in which the work is not continuous the obligation of insurance is limited to the duration of work.

ART. 7 (article 7, law of March 17, 1898, No. 80; article 4, law of June 29, 1903, No. 243). The insurance shall be taken out by and at the expense of the head or manager of the undertakings, establishments, or construction enterprises against all cases of death or personal injury resulting from accident occasioned by a violent cause during labor, the consequences of such accident lasting more than five days.

In case of work performed for the State, province, municipality, or public associations, or for public institutions under concessions or contracts, the obligation to insure devolves upon those holding the concession or contract.

For the purposes of this law an employer shall mean one who causes the performance of such work, at his own account, as forms the object of any enterprise enumerated in article 1, provided there are employed at such work more than five persons.

In case of construction of buildings this provision shall also apply when the number of workmen is below five if the work is performed outside of the building with the aid of scaffolds, or stationary or movable stagings.

As regards the workmen specified in article 1, No. 4, the obligation of insurance devolves on the one who operates the machines or has them operated by his agents.

The regulations of article 15 of the law of June 9, 1901, No. 211, concerning workmen specified in article 1, par. 5, remain in force.

Whoever by holding back a workman's wages, whether directly or indirectly, forces him to contribute to the expenses of his insurance as stipulated by the provisions of the present law, shall be liable to a fine up to 4,000 lire [\$772].

ART. 8 (article 8, law of March 17, 1898, No. 80). Wherever it be found that the number of workmen insured is below the average number ordinarily employed by the head or master of the establishment, undertaking, or construction enterprise, the inspector in charge shall report the facts to the competent judicial authority.

For false or incorrect information there shall be imposed a fine of from 50 to 100 lire [\$9.65 to \$19.30] over and above the obligation of supplementary insurance to be taken out at the expense of the head or manager of the establishment, by the ministry of agriculture, industry, and commerce, on its own initiative.

ART. 9 (article 5, law of June 29, No. 243). The amount of compensation assured to workmen in cases of accidents referred to in article 7 is as follows:

1. In case of permanent total disability the compensation shall equal six years' earnings and in no case less than 3,000 lire [\$579].

2. In case of permanent partial disability it shall equal six times that amount by which his annual earnings have been or may be reduced; said annual earnings for the purposes of this paragraph shall not be considered less than 500 lire [\$96.50].

3. In case of absolute temporary disability the compensation shall be a daily allowance and equal to half the wages which the injured earned at the time of the accident; and it shall be paid during the entire period of disability.

4. In case of temporary partial disability, the compensation shall be a daily allowance equal to half the reduction in the earnings of the injured person at the time of the accident, caused by the disability; it shall be paid during the entire period of the disability.

5. In case of death, the compensation shall equal five years' earnings.

Compensation due to apprentices shall be computed on the basis of the lowest wages earned by workmen occupied in the same industry and kind of labor in which the apprentices were engaged.

In case of accident the head or manager of the establishment, undertaking, or construction enterprise is obliged to meet the cost of immediate medical and pharmaceutical aid, as well as of the necessary medical certificate.

ART. 10 (article 5, law of June 29, 1903, No. 243). The compensation guaranteed in case of death is to be distributed according to the following rules:

(a) If the deceased leaves legitimate or natural children, or other descendants dependent upon him, under 18 years of age or unable to work because of a physical or mental defect, the compensation will accrue to them, divided according to the following provisions:

Where none of the survivors are disabled by reason of a mental or physical defect, the compensation shall be divided among them in such a way that the individual shares represent the capital value of pensions equal and constant until the end of the twelfth year, and reduced to 50 per cent of that amount for the remaining six years until the end of the 18th year of age.

If any one of the descendants is disabled through some mental or physical defect, the part of the compensation that shall be assigned to him shall be determined definitely and without appeal, by order of the magistrate (pretore), and the remaining portion shall be distributed among the others according to the rules indicated above.

(b) If the deceased leaves no descendants in the condition specified in paragraph (a), but leaves ascendants dependent upon him, then the compensation shall be divided among them in such way that the individual shares will represent equal annuities for each of them.

(c) If the deceased leaves neither ascendants nor descendants, as specified in paragraphs (a) and (b), but dependent brothers and sisters under 18 years of age or disabled from work by reason of a physical or mental defect, the compensation shall be divided among them in accordance with the rules laid down in paragraph (a) for direct descendants.

(d) A consort surviving shall be entitled:—

1. To two-fifths of the compensation if there be also descendants referred to in paragraph (a); the other three-fifths to be assigned to such descendants;

2. To half of the compensation if there also survive ascendants referred to in paragraph (b); the other half to be assigned to such ascendants;

3. To three-fifths of the compensation if there survive brothers and sisters under the conditions indicated under paragraph (c); and the other two-fifths shall be assigned as above to such brothers and sisters.

In the absence of descendants, ascendants, and brothers and sisters under conditions specified in paragraphs (a), (b) and (c), the entire compensation shall accrue to the consort.

The consort loses all rights in the presence of a decree of separation granted by the court and due to the fault of the surviving consort or of both consorts.



In the absence of any lawful beneficiaries as specified in paragraphs (a), (b), (c), and (d), the amount of compensation is turned into a special fund provided for in article 37.

By royal decree, issued by the minister of agriculture, industry, and commerce, after consultation with the council of provident institutions, there shall be established tables of coefficients for the division of compensation according to the rules under (a), (b), (c), of the present article.

ART. 11 (article 5, law of June 29, 1903, No. 243). In addition to the compensation described in paragraphs 1 and 2 of article 9, the insurance institution shall pay compensation for temporary total disability during all the time that the workman shall stay away from work, but not to exceed three months from the day the accident occurred. The amounts paid after the expiration of three months shall be considered as advance payments on the compensation due under paragraphs 1 and 2 of article 9.

Whenever the compensation due to a workman by reason of permanent partial disability is below the sum paid to him, or that should be paid to him, as a daily allowance under paragraphs 3 and 4 of article 9, the workman shall be entitled to the larger sum instead of the one due him under the rules for permanent disability.

The daily allowances shall be remitted in deferred payments at periods not exceeding seven days.

Compensation in cases of permanent disability, or in cases of death, should be definitely computed within eight days after the presentation of the necessary documents, and shall be paid within eight days from the day when the workman or his lawful beneficiaries, referred to in article 10, have accepted the terms proposed by the insurance institution.

In case of delay of payment of the compensation referred to in the preceding paragraph, it shall draw interest at ordinary commercial rates.

Within the rules and up to the amount to be determined in the "regulations," the head or manager of the establishment, undertaking, or construction enterprise shall not refuse to make advance payments on the daily allowance specified in paragraphs 3 and 4 of article 9, when requested to do so by the insurance institution.

The "regulations" shall establish rules for the granting of advance payments to the lawful beneficiaries, referred to in article 10, in case of death of the workman.

The employer or the manager who makes advance payments to the workman or to his beneficiaries, specified in article 10, shall have the right to recover, up to the amount specified by this law and the regulations, the sum due him from the insurance institution at the time of the final settlement of the compensation, or at the expiration of each month, if a definite settlement is delayed.

ART. 12 (article 10, law of March 17, 1898, No. 80; article 6, law of June 29, 1903, No. 243). The rules for determination of permanent or temporary disability shall be established by the regulations referred to in article 39 of the present law.

By annual earnings, referred to in paragraphs 1, 2, and 5 of article 9, are understood in case of workmen employed in undertakings or establishments during the twelve months preceding the accident the actual remuneration paid them in the course of that time, whether in money or in kind, up to a maximum of 2,000 lire [\$386]. In case of workmen employed in undertakings or establishments for less than twelve months, but not less than six months, prior to the accident, the annual earnings shall equal 300 times the daily earning or wages, up to a maximum of 2,000 lire [\$386], unless the wages are fixed per year, in which case the wages so fixed will be accepted as the basis up to the above maximum.

The daily wage shall be computed by dividing the sum of the total earnings of the workman during the period in which he rendered services within the twelve months prior to the accident by the number of the days actually at work during this period.

By a day of actual work is understood a period of service rendered during the ordinary working day prevailing in the undertaking or establishment and which constitutes in it a normal day's work.

When owing to the nature of the work, or for some other reason, the workman is employed in the undertaking or establishment less than six months, whatever be the form of his remuneration, his daily wage and his yearly earnings shall be determined according to rules to be established in the regulations.

ART. 13 (article 11, law of March 17, 1898; article 7, law of June 29, 1903, No. 243). Within a period of two years from the day of the accident both the workman and the insurance institution shall have the right to request a revision of the compensation whenever the first settlement is proven to be erroneous, or in case certain changes due to the accident have taken place in the physical condition of the injured.

In case of the death of the injured workman before the termination of the above two years from the day of the accident, the lawful beneficiaries referred to in the law and the insurance institution shall have a right to ask for a revision

of the compensation, but this request shall be made, under penalty of this allowance, within two months from the day of death, and always within the indicated period of two years from the day of the accident.

Whenever there shall arise any disagreement as to the determination of the compensation, and the case is one of temporary disability, the dispute shall be subject to the jurisdiction of a council of prud'hommes (*collegio dei probiviri*), whose decision shall be final up to 200 lire [\$38.60], subject to the rules established by the law of June 15, 1893, No. 295. In the absence of such a council of prud'hommes, the magistrate of the locality where the accident occurred shall adjudicate the case without appeal up to the amount specified above.

In all controversies over amounts exceeding 200 lire [\$38.60], the ordinary magistrate of the locality where the accident occurred shall have jurisdiction in accordance with the general rules of jurisdiction and procedure.

For actions referred to in this article it shall not be necessary to secure the services of a counsel or attorney.

The provisions of article 44, of the law of June 15, 1893, No. 295, shall apply to all acts of procedure relating to such suits and to measures of whatever nature pertaining to them.

The following court fees accrue with the judgments: When the amount involved in the suit does not exceed 50 lire [\$9.65], 50 centesimi [10 cents]; from 50 to 100 lire [\$9.65 to \$19.30], one lire [19 cents]; and for every succeeding 100 lire [\$19.30], two lire [39 cents].

While the action about the daily compensation is pending, the insurance institution shall be required to pay the same subject to the right of action for restitution against the liable persons.

The amounts of compensation paid in advance shall be accounted for in the final settlement.

ART. 14 (article 12, law of March 17, 1898, No. 80; article 8, law of June 29, 1903, No. 243). Every contract intended to evade the payment of compensation, or to decrease its amount as specified by the provisions of article 9, shall be null and void.

In case of contests concerning the right of compensation or its amount, settlements of such contests shall not be valid without ratification by the court.

ART. 15. In every case of absolute permanent disability, and in those cases of partial permanent disability, in which the reduction to be made from the annual earnings in order to determine the amount of compensation, shall be at least one-half these earnings, the compensation settled in accordance with article 9, paragraphs 1 and 2, shall be paid by the insurance institution into the national fund for the insurance of workmen against invalidity and old age, for the purposes provided for in the present article.

Until the lapse of the two years' period specified in article 13, and until the judgment of revision, the national insurance fund shall pay to the workman a monthly subsidy equal to the life annuity corresponding to the compensation paid in.

If the workman dies before the expiration of the two years from the day of the accident and before the final judgment of revision, then the compensation as at first determined and eventually decreased or increased as a result of the above decision shall, after the deduction of the sum already paid as a subsidy according to the provisions of preceding paragraphs, be turned over to the beneficiaries specified in article 10, and in the absence of these, into the special fund provided for in article 37, if it be proved by the judgment of revision that death occurred as a result of the accident. Except in such cases, the compensation shall be turned over to the testamentary or legal heirs in accordance with the provisions of the Civil Code.

If the workman survives the above indicated period of time, the compensation as originally fixed or as eventually decreased or increased by the decision of revision, and after the deduction of the amount already paid out in subsidies, described above, shall be converted by the national insurance fund into a life annuity.

Only in exceptional cases may the magistrate in whose jurisdiction the workman is domiciled, on the latter's demand, or presented within 15 days after the expiration of the two years' period, or after the judgment of revision, authorize the payment in lump sum of the entire amount or any part of the amount left of the compensation specified in the preceding paragraph.

ART. 16 (article 14, law of March 17, 1898, No. 80). The right to compensation or to the pension may not be ceded, mortgaged, or seized, and enjoys the privileges laid down by paragraph 6, of article 1958, of the Civil Code, concerning money deposited as surety for payments due.

ART. 17 (article 15, law of March 17, 1898, No. 80). The right to begin action to obtain compensation as prescribed by the present law shall be forfeited after the expiration of one year from the day of the accident.



**ART. 18** (article 10, law of June 29, 1903, No. 243). Workmen occupied in establishments, undertakings, or construction enterprises conducted directly by the State, provinces, or municipalities, or given over by them in concession or contract, shall be insured in the national fund for insurance of workmen against industrial accidents, created by the law of July 8, 1883, No. 1473 (series 3a) when not prevented by the application of the provisions of article 19, paragraphs 2 and 3. Other workmen may also be insured in private insurance societies or companies authorized by the State, under special regulations and security as specified by the regulations: Provided, That they conform to article 19, Nos. 2 and 3, concerning funds and syndicates.

Contracts with private insurance companies or concerns for insurance of workmen, referred to in the first part of the present article, are null and void; this nullity may be taken advantage of only by the employers or heads of establishments; the private insurance society or concern may not claim any compensation for damages sustained.

**ART. 19** (article 17, law of March 17, 1898, No. 80; article 11, law of June 29, 1903, No. 243). The following are exempt from the obligation of insurance with the national fund or with private societies or companies:

1. The State in respect to workmen employed in its establishments, when compensation in case of accident is assured them by special legislation.

2. Employers owning establishments or managing undertakings specified in article 1, who have established or shall establish at their own cost funds recognized by law or by royal decree which funds provide permanently for more than 500 workmen, and which pay to workmen compensation for accidents not below that fixed in conformity with article 9.

The employers shall deposit with the bank of deposits and loans, in securities issued or guaranteed by the State, a guarantee in the manner and to an amount to be determined by general rules of the minister of agriculture, industry and commerce.

The guarantee shall not be less than five times the total amount of the premium which would have to be paid annually into the national fund to insure the workmen who are provided for by this private fund, if their number does not exceed 2,000, and three times the total amount of the premium but not less than 40,000 lire [\$7,720] if the number of the workmen exceeds 2,000. Whenever the funds lack sufficient means to pay the accrued compensation those persons shall be held liable for payment with whom the obligation of insuring the workmen, injured by the accident, originally rested.

3. Employers joined in an association for mutual insurance, by virtue of constitution duly approved by the minister of agriculture, industry and commerce.

To constitute an association they should employ at least four thousand workmen, and should deposit as a security in the bank of deposits and loans in the form of securities issued and guaranteed by the State the sum of 10 lire [\$1.93] for each insured workman up to a maximum of 250,000 lire [\$48,250]. In organizing themselves into such an association, the employers shall for the first year, in a provisional way, deposit in advance with the treasury of the association, on account of the annual contributions that will fall due from them, a sum equal to one-half the premiums that would be demanded by the national insurance institution for insuring to their workmen the compensation provided by the law.

In case the sum thus fixed shall exceed the total amount of the compensation liquidated and definitely ascertained during the year, the excess shall be returned to the employers holding membership in the association.

In the beginning of each following year, the associated employers shall pay an annual premium to an amount to be determined on the basis of the liquidated compensation of the preceding year.

The employers united in a syndicate are responsible in a body for the fulfillment of the obligation of the present law and the dues credited against the members are collectible in accordance with prescribed rules and subject to privileges stipulated for the collection of direct taxes.

Rules for the increase, dissolution, or reestablishment of private funds and associations shall be defined by the regulations referred to in article 39.

The provisions of article 3, of the law of July 8, 1883, No. 1473, shall be applicable, as far as the operations covered by that law are concerned, also to funds and associations constituted in accordance with the provisions of this article.

**ART. 20** (article 18, law of March 17, 1898, No. 80). Companies operating the railroads, by virtue of the law of April 27, 1885, No. 3048, shall be exempt from the obligation of insuring their employees with the institutions indicated in article 18 whenever they shall so modify the statutes of their respective pension and aid funds referred to in articles 31 and 35 of the chapters treating of their obligations, so as to make them conform to the provisions of the present law, without in any way prejudicing the rights conferred by these statutes upon persons inscribed in above funds.

The Royal Company of Sardinian Railroads shall also be exempt from the obligation of insuring its workmen wherever it shall bring the regulations of its aid and provident funds into harmony with the present law.

Modifications introduced into the statutes mentioned above shall be approved by the minister of agriculture, industry, and commerce in conjunction with the minister of public works.

The above-mentioned railroad companies shall not be required to deposit any security, either for existing funds or for others that they should intend to establish on the basis of the present law.

#### CHAPTER IV.—*Special provisions for transportation on sea.*

ARTICLE 21 (article 18, law of June 29, 1903, No. 243). For the purposes of the present law the term workmen shall designate all persons constituting the crew of a vessel flying the Italian flag, who are paid either a salary or wages, with the exception of the pilot in charge.

However, those whose annual salary or wages exceed the sum of 2,100 lire [\$405.30] shall not enjoy the provisions of the present law.

By employers, for the purposes of this law, shall be understood the shipowners or those so recognized by law.

ART. 22 (article 19, law of June 29, 1903, No. 243). The obligation of insurance imposed by the present law does not dispense with the furnishing of medical treatment and the payment of salaries in cases and ways established by articles 537 and 539 of the Commercial Code.

The daily allowance of the amount specified by article 9, paragraphs 3 and 4, becomes due in cases falling under article 537 of the Commercial Code from the day on which the payment of salary due in accordance with the provisions of this last article ceases.

In cases referred to in paragraphs 1, 2 and 5 of article 9, the amount of compensation for seamen is reduced in the following proportions:

1. In case of absolute permanent disability, the compensation shall equal four times the annual wages and not less than 2,000 lire [\$386].
2. In cases of permanent partial disability it shall equal four times the amount by which the annual wages have been or may be reduced; said wages for the purposes of the present paragraph not to be considered less than 500 lire [\$96.50].
3. In case of death the compensation shall equal three years' wages.

From the day when this law goes into force the dues paid into the invalidity fund of the mercantile marine shall be paid exclusively by the shipowners, to whom the last paragraph of article 7 shall apply.

ART. 23 (article 20, law of June 29, 1903, No. 243). In case the vessel be lost, or considered as lost in accordance with article 633 of the Commercial Code, and where six months shall have elapsed from the day of the shipwreck or from the day when the vessel was last heard from, without any information having been received concerning the crew of the vessel, the beneficiaries, enumerated in article 10, may obtain the compensation assured them in case of death.

The limit of one year fixed by article 17 for beginning an action for claim of compensation begins to run from the day when the above period of six months elapses.

The payment of compensation shall not take place without security being agreed upon or, lacking agreement, without its being specified by the magistrate.

Such security shall be held for a period of three years after the expiration of the aforesaid six months; at the end of which time it shall be released.

When an employee who was believed to have perished returns or certain information about him is secured, the relations of the insuring institution, the supposed victim, and those who have received the compensation shall be readjusted in conformance with the actual consequences resulting from the accident.

ART. 24 (article 21, law of June 29, 1903, No. 243). Compensation is also due in case of accident on a return voyage, even when this latter voyage, for reasons independent of the will of the employee, is made on land or on a vessel other than the one on which the workman enrolled.

ART. 25 (article 22, law of June 29, 1903, No. 243). The duty of notification, referred to in article 36, devolves on the captain or master of the vessel.

The captain or master must file an official report of all the circumstances that have caused and attended an accident during labor on board the vessel, entering it in the log book.

The report must be signed by two witnesses.

In case a physician is present on board the vessel the report should also be signed by him.

The official report shall accompany the formal notice of the accident.

In case of accident at sea the period of three days for giving information runs from the day the vessel first touches a native port or a foreign port wherein resides a royal consular officer.

In the last case the notice is to be given to the above royal consul.

#### CHAPTER V.—*Compulsory mutual associations.*

ARTICLE 26 (article 23, law of June 29, 1903, No. 243). The Royal Government shall have the right to order by royal decree, after consultation with the chambers of commerce, the provincial councils, and the council of state, the organization of an association for mutual insurance among employers in any one industry, when owing to the nature of such industry or to the peculiar conditions of place, it becomes necessary or convenient to resort to such a measure to better insure the execution of the law concerning industrial accidents.

A compulsory association must cover at least 15,000 workmen.

ART. 27 (article 24, law of June 29, 1903, No. 243). Compulsory associations are exempt from offering security as fixed by article 19, paragraph 3. The form and amount of guarantee to be furnished by them shall be determined by the royal decree referred to in the foregoing article. Such associations must gradually build up a reserve fund, the form and limitation of which are to be defined by the same royal decree.

Everything connected with such guarantee and reserve fund shall be done in agreement with the council of state.

The collection of dues from those composing the association shall be made by the administration of the same in accordance with the rules, forms, and privileges applicable to collection of direct taxes.

In all other matters the compulsory associations are subjected to all the provisions contained in the present law (codified text) appertaining to voluntary associations, unless otherwise specified by the above royal decree.

ART. 28 (article 25, law of June 29, 1903, No. 243). Employers in that industry, for which a compulsory association has been established, who fail to comply with the requirement to participate in such association, shall be subjected to the provisions of article 31, and all insurance against accident which they may have contracted with the national accident insurance fund or with a private insurance company shall be null and void for the purposes of the present law.

The association shall not be obliged, in the absence of beneficiaries described in article 10, to turn the compensation which would be due them, into a special fund referred to in article 37, if, by a provision of its constitution, it undertakes to pay, in case of insolvency of persons who have incurred the penalties enumerated in article 31, the compensation due for accidents occurring to their workmen.

To the association which assumes the above obligation shall be paid the sum equal to the amount accruing to the workman or to his beneficiaries, which sum by the provisions of article 31 should have been turned into the special fund established by article 37.

#### CHAPTER VI.—*General provisions.*

ARTICLE 29 (article 19, law of March 17, 1898, No. 80; article 12, law of June 29, 1903, No. 243). The heads or managers of business undertakings, establishments, or construction enterprises who are required to insure their workmen according to article 6, shall within one month report on the character of their undertaking or establishment and the number of their workmen and apprentices to the prefect of the province, who will at once communicate the same to the minister of agriculture, industry, and commerce.

The period of one month fixed in the first part of the present article begins with December 30, 1903, for the heads or managers of the following undertakings, establishments, and construction enterprises and occupations:

1. Loading, transportation, and unloading of material extracted from mines.
2. Establishments for the installation, repair, and removal of electrical conductors and lightning rods.
3. Loading, transportation, and unloading of material employed in construction work or secured from the demolition of buildings.
4. Operating of machines driven by inanimate power, and utilized for agricultural or industrial purposes.
5. Operating cannon and other implements for dissipating hailstorms.
6. Maritime navigation, including fisheries carried on more than 10 kilometers from shore, and sponge and coral fishing.
7. Transportation on land.
8. Loading and unloading.

9. Leveling hills and repairing landslides.

10. The cutting and trimming of forest trees and their transportation to the regular storage points on the banks of rivers and streams, or on the highways, or their removal from the places of storage to the rivers and streams.

11. The construction, repair, and demolition of vessels.

12. The construction and repair of public highways.

13. Industrial establishments which employ machines driven by human power.

14. Concerns that provide the navy with provisions.

Within one month after the report is sent to the prefect the proper insurance contract with an insurance institution, referred to in article 18, shall be made, or proof shall be supplied of conformity with the provisions of articles 19 and 20. The heads or managers of newly established undertakings, establishments, or construction enterprises shall insure their workmen before the beginning of operations, and within ten days shall report thereon as required by the first part of the present article. If by reason of the nature of the work it should be impossible to take out insurance at the beginning of operations, the workmen should be insured within the shortest time possible, and in no case later than within five days from the beginning of operations, if the latter continue beyond this time. If any accident happen before insurance is effected, the heads or managers shall be held responsible for the amount of compensation due; and the amount due in favor of the injured workmen or of their families, in this or in every other case where there be an insurance, shall be guaranteed as a privileged claim under the rules of article 1956 of the Civil Code, with special reference to paragraph 5 of same article.

ART. 30 (article 13, law of June 29, 1903, No. 243). The head or manager of the undertaking, establishment, or construction enterprise must report in a manner and within time limits to be specified in the regulations referred to in article 39, concerning the terms of the insurance contract.

He shall also, in accordance with the procedure, guarantees, and rules to be specified in the regulations, at any time inform the government and the insurance institution as to who the workmen are, with their respective wages and their days of work.

Omissions and irregularities detected in the above notice or in the observance of the procedure, guarantees, and rules laid down in the present article shall cause to be imposed a fine from 50 to 100 lire [\$9.65 to \$19.30], without interfering with the penalties prescribed by article 31 when these apply.

ART. 31 (article 14, law of June 29, 1903, No. 243). Persons who fail in their obligation to effect insurance within the specified period, or who do not renew insurance after it has lapsed or terminated, or do not increase it when the number of workmen has increased, shall be subject to the penalty of a fine of 5 lire [97 cents] for each workman and for every day of delay in drawing up, renewing, or increasing their insurance, up to the maximum of 2,000 lire [\$386]; and in addition thereto in case of accident they shall be required to pay the compensation to the workmen, the amount corresponding to what would have been due from the insurance institution, and to turn an equal sum into the fund established by article 37 of the present law.

Persons who by nonpayment of the premium due from them or for any reason assigned to them, shall thus cause the suspension of the insurance contract shall be subject to a fine up to 2,000 lire [\$386]; and in addition, in case of accident happening during the period since the insurance has lapsed, shall be held liable to pay the compensation to the workmen in an amount equal to that which would be due from the insurance institution, and turn over an equal amount into the aforesaid special fund.

ART. 32 (article 22, law of March 17, 1898, No. 80; article 15, law of June 29, 1903, No. 243). Notwithstanding the insurance effected in conformance with the present law, civil responsibility still attaches to those persons upon whom a penal sentence has been imposed because of the act which has caused the accident.

Civil responsibility also attaches to the owner, head, or manager of the undertaking, establishment, or construction enterprise when it is established by a penal sentence of the court that the accident happened through an act of those whom he has intrusted with the direction or supervision of the work, if, under the Civil Code, he be responsible for their actions.

The foregoing provisions of this article are applicable only when the act to which the accident was due constitutes an infraction of the law.

Whenever it appears that the proceedings can not take place because the criminal action is voided either through amnesty or death, the civil court shall, upon the legal demand of the interested parties, decide whether, from the facts that would have constituted a penal offense, there exists civil responsibility under the rules of the first three paragraphs of this article.

There shall be no payment under this liability if the court decides that the sum will not be greater than the compensation which, by reason of this law, shall accrue



to the injured or his beneficiaries specified in article 10, or to his heirs in cases provided for by article 15.

When payment is made under this liability, whether to the injured and his beneficiaries, specified in article 10, or to the heirs, in case provided for in article 15, only that amount shall be paid by which the amount due exceeds the amount of compensation determined by the provisions of this law.

ART. 33 (article 23, law of March 17, 1898, No. 80). The insurance institutions, mutual associations, and special funds must pay compensation also in cases provided for in the preceding article, but they have a right to recovery of the amount of compensation and of the accessory expenditures, against the persons civilly responsible when the accident has occurred through any cause foreseen in the preceding article.

The judgment of the court which shall pronounce civil responsibility in accordance with the preceding article shall suffice to constitute the insurance institution a creditor against the person civilly responsible. The same action for recovery may be brought against the injured workman in case the accident has been due to fraud on his part. The infliction of a penal sentence shall constitute proof of fraud.

The proof may be obtained in accordance with the Code of Civil Procedure when, through death of the guilty party or through amnesty, the criminal action can not be pursued and the corresponding civil proceedings shall not be instituted after the expiration of one year from the declaration that the criminal action had been for the above reasons voided.

The right to bring action for recovery is outlawed after the expiration of one year from the day on which the sentence of the adjudicated case went into force.

ART. 34 (article 24, law of March 17, 1898, No. 80). Excepting the cases provided for in article 32, the heads and managers of undertakings, establishments, and construction enterprises, specified in article 1, who have effected proper insurance and have complied with the provisions of articles 19 and 20, are exempt from civil responsibility for industrial accidents.

ART. 35 (article 16, law of June 29, 1903, No. 243). Exempt from the tax on insurance, as well as from stamp and registry taxes, are all insurance contracts made in accordance with the terms of the present law, and also all legal acts in connection with these contracts or the payment of compensation, including official reports, certificates, acts of notary, and all other documents which are necessary to the execution of the present law.

Exempt also from the tax on deposits are the various sums or securities deposited with the Bank of Deposits and Loans and by insurance institutions, private funds, or mutual associations as guarantee for the fulfillment of the obligations imposed by the present law.

ART. 36 (article 17, law of June 29, 1903, No. 243). Heads or managers of undertakings, establishments, or construction enterprises, not so enumerated in article 1, shall, within a period of three days, give notice to the local authority of public safety of every industrial accident resulting in death, or disability for more than five days, under the penalty of a fine of between 50 and 100 lire [\$9.65 to \$19.30].

ART. 37 (article 26, law of March 17, 1898, No. 80; article 26, law of June 29, 1903, No. 243). Sums collected for noncompliance with the present law shall be turned into the Bank of Deposits and Loans. These sums and others paid in in accordance with the last paragraph but one of article 10, and the sums equal to the amount of compensation in cases treated of in article 31, shall be devoted by the minister of agriculture, industry, and commerce to the following purposes:

1. To assist workmen who can not obtain the compensation due them by reason of the insolvency of responsible persons, under article 31.

2. To subsidize in any way and up to any amount to be determined by the regulations such societies as shall assume the obligation of assisting injured workmen during the first five days of sickness.

3. To establish prizes for the inventors of new protective devices.

4. To subsidize societies and institutions which provide medical assistance to those injured while at work.

ART. 38 (article 28, law of June 29, 1903, No. 243). The Royal Government is authorized to issue the necessary rules for the modification of the existing insurance contracts now in force, in conformity with the terms of the present law, as well as temporary provisions that may be necessary to carry the law into effect.

ART. 39 (article 27, law of March 17, 1898, No. 80; article 20, law of June 29, 1903, No. 243). For the purpose of carrying the present law into effect, regulations shall be issued with the approval of a royal decree, and after consent of the council of provident institutions and the council of state.

## LUXEMBURG.

### LAW OF APRIL 5, 1902, ON THE COMPULSORY INSURANCE OF WORKMEN AGAINST ACCIDENTS.<sup>(a)</sup>

#### TITLE I.—GENERAL PROVISIONS.

##### I.—*Compulsory insurance.*

**ARTICLE 1.** The following enterprises shall be subject to compulsory insurance: <sup>(b)</sup>

1. The operation of railroads and tramways;
2. The operation of mines, pit-mines, and quarries of all kinds;
3. Enterprises devoted to the production of gas, electricity, and explosives;
4. Blast-furnaces, steel plants, iron-works and foundries;
5. Factories in which iron, steel, or other metals are employed or worked as principal materials;
6. Factories for the production of ceramic wares;
7. Breweries, mills, and saw-mills;
8. Cartage enterprises, inland navigation, transportation by ferry or boat, towing and dredging;
9. Freightage, warehousing and packing enterprises;
10. Transportation and warehouse enterprises connected with a wholesale commercial business;
11. The trades of locksmithing, blacksmithing, stone cutting, well-sinking, book-binding, butchering, and chimney sweeping;
12. The building trades, construction, and earth-work enterprises;
13. Construction, earth-works, and other undertakings executed by the State, communes, public institutions, or other proprietors without the intervention of a professional contractor;
14. The operation by the State of the telegraph and the telephone, and of all other industrial enterprises not enumerated heretofore.

Accidents happening in the work, or caused by the work, to workmen employed in the foregoing enterprises shall give a right for the benefit of the injured person or his heirs to a compensation, the amount and nature of which are determined by the present law. This provision shall be equally applicable to the officers of the establishment, to the foremen, and to the technical employees engaged in these establishments and receiving wages or annual remuneration of less than 3,000 francs [\$579].

**ART. 2.** The factories, undertakings, and enterprises mentioned in article 1 shall come under the application of the present law only when they employ regularly at least five (5) workmen, and when they make permanent and regular use of steam power, or of machines moved by other than human force. Nevertheless, an administrative ordinance may place under compulsory insurance the factories not answering to these conditions whenever they present a special danger to the workmen whom they employ. <sup>(b)</sup>

Employment in industrial subsidiary establishments which constitute integral parts of establishments subject to compulsory insurance shall be considered to be equivalent to employment in the principal establishments. The same is true of the employment in constructions which are carried on directly by the owners of the aforesaid establishments in their enterprises without recourse to professional contractors.

In addition, compulsory insurance is equally extended to domestic service, or to other employments to which the insured persons might be assigned by their employers or superiors, outside of their customary employment. <sup>(b)</sup>

**ART. 3.** Foreign enterprises shall be subject to this law, by reason of help which they temporarily employ in the Grand Duchy; nevertheless, they may be relieved therefrom by the Government if it is guaranteed to the employees that in the event of an

<sup>a</sup> From *Annuaire de la législation du travail*, 1902, pp. 350-388. Publié par l'Office du Travail de Belgique. Bruxelles, 1903.

<sup>b</sup> See amendment on page 2638.



accident, they shall enjoy protection identical with or similar to that to which they are entitled under the present law.

The Government may likewise, with the consent of the foreign government concerned, extend the application of this law to persons temporarily engaged in works carried on in a foreign country by a domestic concern which is itself subject to the provisions of this law.

## II.—*Statutory insurance.*

ARTICLE 4. In accordance with the constitution of the insurance association (article 26) it may be determined whether and under what conditions employers in establishments subject to compulsory insurance, by virtue of article 1, shall have the right to insure themselves against industrial accidents, or to insure other persons not thus subject to compulsory insurance in accordance with the same articles.

Compulsory insurance may be extended by the same constitution even to employers who do not regularly employ at least one salaried workman, as well as to those officers, foremen, and technical employees who receive an annual remuneration or salary of more than 3,000 francs [\$579].

By the same constitution it may be further prescribed whether and under what conditions persons not subject to compulsory insurance but exposed to the risk inherent in the occupation and who are engaged in the service of or belonging to the household of the head of the establishment or his superintendent, as well as the wives and the members of the families of employers coming under paragraph 2 of this article, are to be insured against accidents which may happen either in domestic service or in industrial employment.

If the aforesaid provisions are contained in the constitution, this shall also specify the maximum annual income or salary to which the right of insurance shall be extended.

The constitution may at the same time regulate, notwithstanding the provisions of this law, the manner of ascertaining the annual earnings of persons insured in this way as well as their participation in the expenses.

## III.—*Exemption from insurance.*

ARTICLE 5. The employees of establishments maintained by the State, or communes, who receive a fixed remuneration and who have a right to a pension on retiring, shall not be subject to compulsory insurance.

Persons engaged in works carried on in the prisons, labor colonies, educational institutions, and houses of correction, on account of the Government, shall likewise be excluded from such insurance.

## IV.—*The purpose of the insurance and the amount of the compensation.*

ARTICLE 6. The purpose of the insurance is to provide compensation, calculated in accordance with provisions hereinafter stated, for damage resulting from the injury or death of the insured.

If the accident results in an injury which renders the injured person incapable of resuming work, the compensation from the beginning of the 14th week following the accident shall include:

1st. Free medical treatment, medicines, as well as all other means calculated to bring about recovery or diminish the consequences of the accident, including the necessary expenses of maintenance or convalescence;

2nd. The payment of a pension up to the cessation of disability. In case of total disability, the pension shall consist of 66⅔ per cent of the annual earnings and shall continue to be paid as long as the disability exists (total pension). In case of partial disability the pension, also to be paid as long as the disability exists, shall consist of a fraction of the total pension, depending in amount upon the degree of ability to work.

As long as the injured person is actually and involuntarily without work, the board of directors of the insurance association shall have power to temporarily increase the partial pension up to the amount of the total pension.

However, if the incapacity to work existing at the time of the accident arises from a prior accident, on account of which the injured person receives a pension at the expense of the insurance association, and if in consequence thereof his daily wages do not amount to the wages earned by him before the first accident, his pension shall be calculated in proportion only to the decrease of incapacity caused by the second accident.

In no case shall the wages which serve as a basis for the determination of the pension be less than the usual wages of adult laborers in the locality (article 14 of the law regarding insurance against sickness).

**ART. 7.** If the accident results in the death of the injured person, there shall be allowed in addition:

1st. As funeral expenses the 15th part of his annual earnings, the maximum of which, however, shall not exceed 80 francs [\$15.44], and the minimum of which shall not be less than 40 francs [\$7.72].

2nd. A pension accruing to the survivors of the injured person commencing from the day of his death.

This pension, in accordance with the provisions of articles 8 to 11, shall consist of a fraction of the annual earnings of the deceased.

If the deceased was already receiving a pension on account of a prior accident, and if in consequence of such accident the wages earned by him at the time of his death were less than those received by him at the time of the first accident, the pension received by his surviving beneficiaries shall be calculated upon the basis of the wages earned by him at the time of his death, increased by the pension which he received on account of the first accident: Provided, however, That the two sums added together shall not exceed the amount of the wages earned by the deceased at the time of his first accident.

**ART. 8.** If the deceased leaves a widow or children, the pension shall consist of 20 per cent of the aforesaid wages for the widow up to the time of her death or her remarriage, and 20 per cent for each legitimate child, or natural child, recognized as such before the accident, up to the end of their 15th year.

However, this provision shall not apply to the divorced wife, nor to a wife against whom a decree of separation has been pronounced.

In case of her remarriage, the widow shall receive 60 per cent of the annual earnings, as a settlement.

The widow shall have no right to the pension if the marriage was contracted after the accident. However, in such cases it is permissible for the board of directors of the insurance association to allow her a subvention.

The pension may be refused either totally or partially to the wife who has voluntarily lived apart from her husband, for at least a year prior to the accident, and who has provided for her own maintenance without his assistance.

The provisions concerning the pension of children shall likewise be applicable if the accident happens to an unmarried woman who leaves children; the provisions concerning the pension of a widow and orphans shall be applicable for the benefit of a widower and children left by a woman who, on account of her husband's disability to work, has provided the whole or the greater part of the maintenance of her family.

The pension shall be granted to the orphans of an insured wife killed by accident, when her husband has abandoned her without concerning himself with her maintenance.

**ART. 9.** If the deceased leaves ascendant heirs, they shall receive together 20 per cent of his annual earnings up to the time of their death, or up to the cessation of their state of indigence: Provided, That the deceased has furnished entirely or in large part the expenses of their maintenance.

**ART. 10.** If the deceased leaves grandchildren who, as orphans both as to father and mother, have been supported by him, they shall receive, in case of need, a joint pension of 20 per cent of his annual earnings up to the end of their fifteenth year.

**ART. 11.** The combined pensions of the survivors may not exceed 60 per cent of the annual earnings. For the widow and children the reduction, if such is necessary, is made in proportion to the pension of each. The heirs in the ascending line may not advance their claims except when the aforesaid maximum is not absorbed by the pensions of the widow and children; the grandchildren may not invoke their claims except when the same maximum is not absorbed by the pensions of the widow, of the children, and of the ascendant heirs.

If there are ascendant heirs of different degrees, the more immediate shall have the priority.

**ART. 12.** The benefit of this law shall extend to foreigners as well as to citizens of Luxemburg.

Its application may nevertheless be suspended, with respect to nations or countries whose laws refuse to the citizens of Luxemburg the benefit of a protection similar to that which they accord their own citizens.

**ART. 13.** The payments as provided by article 6 may be replaced up to the time of complete recovery by treatment and free care furnished in a hospital, namely:

1st. For the injured persons who are married, or for persons who have their own home, or who constitute part of the household of their family, with the consent of the injured persons, or even without their consent, when the nature of the injuries requires treatment or care which cannot be assured in the family, or when the injured persons have repeatedly disregarded the medical instructions, or when their condition or their conduct requires constant observation.

2d. For other injured persons this shall be done in every instance.

During the period of the treatment of the injured person at the hospital, the members of his family shall have claim only to such a pension as they could secure in case of the death of the injured person.

ART. 14. The annual earnings which serve as a basis for calculating the aforesaid pension (annual earnings, or basic annual earnings) shall be determined by the following method:—

In the first place there shall be determined the number of working days of the injured person during the last year of his employment in the establishment in which the accident occurred, as well as the income which he has received as remuneration or salary during the same period of time.

The remuneration or salary shall include also shares in profits, payments in kind, or other emoluments which take the place, entirely or partially, of the remuneration or salary.

Payments in kind shall be valued at their average price.

If the injured person has been unable to work during the aforesaid period on account of sickness, duly attested, his actual income shall be increased for each day of his illness (article 14, paragraph 2 of the law concerning sickness insurance) by an amount equal to his customary daily income.

If the number of working days, including the number of sick days, reaches three hundred, the annual earnings which are to serve as a basis shall include the actual income received during the year, including therein any addition by reason of sickness.

If the number is less than three hundred, the annual earnings of the injured person shall be computed as three hundred times the quotient resulting from the division of his actual income, increased by any supplement on account of sickness by the average number of working days on which workmen, regularly engaged during the year in this kind of employment, are ordinarily employed.

If, however, the annual earnings thus calculated do not amount to the actual income, plus the supplement added on account of sickness, the amount of these two items together shall take the place of the annual earnings.

If the injured person has not been engaged in his occupation for an entire year prior to the accident, the aforesaid division shall be made by the number of working days which the aforesaid workmen, regularly employed, would have attained during the same period in the employment of the injured person.

The excess of the total annual income above fifteen hundred francs [\$289.50] shall be counted at the rate of one-third only.

For adults who do not receive wages, or whose annual income, calculated as aforesaid, does not reach the usual daily wages of adult laborers of the locality (article 14, par. 4 of the law concerning sickness insurance) the latter daily wages, multiplied by two hundred and eighty, shall serve as a basis for the calculation of the pension.

For young persons, the annual wages shall include, until the completion of the sixteenth year, two hundred and eighty times the daily wages determined for young persons serving as laborers in the locality; and, after the age of sixteen, two hundred and eighty times the daily wages fixed for adult laborers.

ART. 15. The board of directors of the insurance association is authorized to intrust to the sick benefit fund to which the injured person belongs, in consideration of the reimbursement of the expenses incurred by it, the treatment of the injured person from the commencement of the fourteenth week and up to the end of the medical treatment.

In such cases, the payments as enumerated in article 14, par. 1, of the law concerning sickness insurance, shall be assessed at one-half the minimum determined for the aid in money given to the sick, unless they are justified in incurring greater expense.

ART. 16. From the beginning of the fifth week after the accident up to the expiration of the thirteenth week the aid in money furnished to injured persons, pursuant to article 14, par. 2, of the law concerning sickness insurance, must amount to at least two-thirds of the daily wages serving as a basis for the calculation of the aid by the sick benefit fund to which the injured person belongs.

ART. 17. If persons insured against accident by virtue of article 1, or by virtue of a provision of the constitution, in accordance with article 4 of this law, but not insured against sickness, are injured as a result of an accident, the payments provided for by article 14 et sequitur of the law concerning sickness insurance, including the supplementary pension, resulting from the preceding article, shall be furnished them during the first thirteen weeks after the accident.

1st. By the insurance association if they do not belong to any sick benefit fund because the time of their employment was limited to less than a week (article 1, par. 6 of the law concerning sickness insurance).

2nd. In all other cases by the employer in whose establishment the accident occurred.

The officers of the establishment, the technical employees, and the foremen, whose annual salary is greater than three thousand francs [\$579], as well as the heads of the establishment, their wives, and the members of their families, shall have no right to these payments.

ART. 18. When sickness has been caused by an accident, the board of directors of the insurance association shall be authorized to assume the expenses of the medical treatment.

It is moreover obliged to accept offers coming from sick benefit funds, if the nature of the injury demands treatment and care which can not be procured in the family, and if, for this reason, the sick benefit fund has requested the admission of the injured person to a hospital.

In the aforementioned case the duty to furnish medical care commences at least from the fifth week following the accident, or two days after the reception of the aforesaid proposition, if the latter has been subsequently formulated.

From the day of the assumption of this duty up to the end of the treatment, or at least up to the expiration of the thirteenth week after the commencement of the payment of the sick benefit, the claim of the injured person to receive sick benefit passes to the insurance association. On the other hand, the latter shall assume all the duties incumbent upon the sick benefit fund with respect to the injured person.

ART. 19. If the right to receive money aid from the sick benefit fund ceases before the end of the thirteenth week after the accident, but the injured person still remains affected with a partial incapacity to work, by reason of which there will be due to him, an accident pension at the expiration of this lapse of time, then the sick benefit fund must pay him that pension up to the end of the thirteenth week: Provided, however, That said pension shall not exceed the amount of the sick benefit (article 14, par. 2 of the sickness insurance law, or article 16 of this insurance law, whichever may be applicable).

If the sick benefit fund has wrongfully ceased the legal payments before the end of the thirteenth week, the right of the injured person to the sick benefit shall pass to the insurance association up to the amount furnished by it to him.

#### V.—Responsibilities.

ARTICLE 20. No reparation for damages resulting from injury or from death to the insured shall be due either to the injured person or to his heirs if the injured person has caused the accident by design (intentionally). Further, the demand for a compensation on behalf of the injured person, or his heirs, may be rejected wholly or in part if the accident has happened to the insured while he was perpetrating a crime or an intentional misdemeanor.

Refusal of compensation shall not be justified in that case unless the injured person has been sentenced without the right of appeal to imprisonment for at least fifteen days or to a fine of 300 francs [\$57.90], or to imprisonment of eight days and a fine of 150 francs [\$28.95].

ART. 21. The persons insured by virtue of this law, as well as their legal representatives, designated by articles 8 to 11, even if they have no right to a pension, shall have no right of action for damages against the employer or against his attorney or representative, his superintendent or other officer, except when a penal judgment has declared the latter guilty of having intentionally caused the accident.

In that event they shall have a right of action, only in so far as the amount of damages to which they have a claim, in accordance with the laws already in force, exceeds the amount allowed them, pursuant to the present law.

ART. 22. The employers, their attorneys or representatives, their superintendents or other officers declared by a penal judgment guilty of having caused the accident, either intentionally or by negligently relaxing the vigilance to which they are bound by virtue of their office, profession, or trade, and condemned without the right of appeal on that charge to imprisonment of at least fifteen days or to a fine of 300 francs [\$57.90], or to imprisonment of eight days and to a fine of 150 francs [\$28.95], shall be responsible to the insurance association, or to the sick benefit funds for all the expenses incurred by the latter by virtue of this law, or of the law concerning sickness insurance.

The same responsibility rests upon the societies and associations for the acts of members of their directing boards, or of their managers.

In these cases, the capital value in money may be demanded in place of a pension.

The rights of claimants shall expire by limitation after the expiration of eighteen months, commencing from the day when the penal judgment has become final.



ART. 23. If, in the cases enumerated by article 20, paragraph 2, and articles 21 and 22, a pardon, death, or any other reason concerning the person of the accused prevents the entering of a penal judgment, the proof of criminal acts, as well as their penal gravity, may be established before a civil judge in a summary proceeding. This civil judge will determine upon the applicability or nonapplicability of the foregoing provisions.

ART. 24. Third parties not designated by articles 21 and 22 shall be responsible in accordance with the principles of common law.

However, to the insurance association shall be delegated the rights of the claimant of the compensation up to the amount of its obligations towards the latter.

#### VI.—*Relations with sick benefit funds, benevolent organizations, etc.*

ARTICLE 25. This law does not affect the obligations of aid societies, sick benefit funds, mortuary funds, or others to furnish aid to workmen or employees meeting with accident, as well as to the members of their families and survivors, nor to the obligation of the State, communes, alms-houses, or benevolent bureaus to aid needy persons.

If in the execution of obligations of that kind aid has been furnished in cases in which a right to compensation accrues to the persons aided, in accordance with this law, that right shall pass to the amount of the aid accorded to the organization which has furnished such aid.

The last provision does not apply, however, to mortuary funds.

In the aforesaid case the payments advanced by the sick benefit funds and indicated by article 14, par. 1 of the law concerning sickness insurance, shall be estimated in accordance with the last paragraph of article 15 of this law.

### TITLE II.—MUTUAL ACCIDENT INSURANCE ASSOCIATIONS.

#### I.—*Mode of insurance.*

ARTICLE 26. The insurance shall be effected under the form of mutual insurance among the heads of the enterprises designated in article 1 of this law, who for that purpose shall be united throughout the whole country into a single accident insurance association.

The person on whose account the establishment is conducted shall be considered as the head of the enterprise, or entrepreneur.

The association shall be governed by a constitution, to be adopted at a general meeting of the association and approved by a decree of the general administration.

At the general meeting each head or representative of an establishment who does not employ more than twenty persons subject to compulsory insurance, shall have one vote; above twenty persons up to two hundred persons, one vote for every twenty persons; and above two hundred persons, one vote additional per hundred persons subject to compulsory insurance.

Absent entrepreneurs may be represented by a member of the association having a right to vote or by a director of their establishment furnished with full power.

The right to vote may not be exercised except by persons enjoying civil and political rights.

ART. 27. The constitution of the association shall contain rules relating to—

- 1st. The calling of the general meeting and to the form of its resolutions;
- 2nd. The right of members to vote and the verification of their powers;
- 3rd. The number and term of office of the members elected to the board of directors, as well as the manner of the composition of the board and its powers;
- 4th. The procedure to be followed for the purpose of determining the amount of dues, and the method of inscribing the establishments in the several classes of risks;
- 5th. The procedure to be followed in cases of change of business or the change of the head of the establishment;
- 6th. The consequences of cessations of business, especially the method of guaranteeing the dues which the employers may owe in that event;
- 7th. The rates of per diem allowances granted to the delegates of the insured workmen;
- 8th. The drawing up, verification, and approval of the annual statement;
- 9th. The exercise of rights belonging to the association in the matter of the supervision of establishments and rules designed to prevent accidents;
- 10th. The amendment of the constitution.

The constitution may prescribe that the general meeting of the association shall be composed of representatives and that there shall be appointed officers to act as local agents of the association.

In that event the constitution shall at the same time contain provisions concerning the nomination of representatives, upon the limits of the districts of the local agents, concerning the appointment of the latter, and their deputies, as well as the extent of their powers.

The limits of the districts of the local agents, as well as the appointment of the latter and of deputies, may be intrusted by the general meeting to the board of directors of the association.

ART. 28. A public administrative ordinance shall govern the formation of the association, the deliberations concerning its constitution and the approval of the latter.

In case of a second refusal by the Government to approve of the constitution, the latter shall then be definitely enacted and made compulsory by a general administrative order.

As long as the officials of the association provided by law, or by the constitution, are not regularly designated, or if they refuse to perform their legal duties or duties specified by the constitution, the Government may provide for their replacement in order to insure the performance of the duties in question.

## II.—*Administration of the insurance association.*

ARTICLE 29. The insurance association shall bear the name: Association for Insurance against Accidents. It shall have its seat at Luxemburg.

The association shall have at its head a board of directors, charged with the whole administration, except as to matters which the law or the constitution reserves to the general meeting, or to other bodies or officials.

The general meeting may assign to subcommittees certain matters designated by the constitution, or by the special resolutions. In that event it shall regulate the powers, the composition, the formation, and the manner of deliberation of these subcommittees.

Nevertheless, the following shall be reserved for the deliberations of the general meeting:

- 1st. The election of the elective members of the board of directors of the association;
- 2nd. The verification and approval of the annual financial statement;
- 3rd. The amendment of the constitution.

ART. 30. The association shall be represented before the courts and elsewhere, in the name of the board of directors, by its president. This power shall extend also to matters and legal acts for which the laws prescribe a special warrant of attorney.

The association acquires rights by and assumes obligations for the acts performed in its name, by the president, the board of directors, and the local agents, where acting within the powers conferred upon them by law or by the constitution.

A government certificate indicating the composition of the board of directors shall serve to legitimize it in the performance of its legal acts.

ART. 31. The board of directors shall consist of a president and not less than four, nor more than six members.

The president shall be appointed by the Government and shall not be a member of the association.

He shall represent the board of directors with respect to third parties, direct its business, sign all documents, and preside over the deliberations of the board and of the general meeting.

He shall be assisted by a sufficient number of employees appointed by the board of directors and placed under his supervision.

ART. 32. The other members of the board of directors shall be elected at the general meeting of the association, in accordance with the provisions of the constitution.

The following shall be eligible both as members of the board of directors and as local agents: those affiliated with the association and having the right to vote, and their legal representatives, as well as managers to whom the heads of the establishments have given full powers, subject to the provisions of the constitution.

In order to be eligible it shall also be necessary—

- 1st. To have completed one's twenty-fifth year on or before the day of election;
- 2nd. To be a resident of the Grand Duchy.

The following shall not be eligible:

- 1st. Those deprived of the right of eligibility on account of conviction of crime;
- 2nd. Those who are excluded from the electorate by article 13 of the law of March 5, 1884, concerning legislative and communal elections.

Any member who loses one or the other of the conditions of eligibility shall cease to be a member of the board.

The aforesaid officer may not be refused except by persons to whom the provisions of articles 433 and 434 of the Civil Code are applicable. Reelection may be refused for one electoral period.



Members who, without legitimate reasons, decline the nomination, or who, without sufficient excuse, fail to perform their duty, may be subjected to a fine of not more than 500 francs [\$96.50], to be imposed by the general meeting.

ART. 33. The elected members of the board of directors, of the subcommittees, and the local agencies shall perform their duties without emolument or compensation, unless the constitution grants them compensation at the expense of the association for the loss of time resulting to them on account of the performance of their duties.

Their expenses shall be reimbursed by the association, and if they consist of traveling expenses, that reimbursement shall be reckoned at the rate fixed by the general meeting, and approved by the Government.

The compensation of the president of the association and of the employees placed at his disposal, the expenses of fuel, lighting and cleaning, as well as all office expenses and for stationery and printing shall be one-half at the expense of the State and the other half at the expense of the association. The State shall provide, besides, an office properly furnished.

ART. 34. The president, the members of the board of directors and of subcommittees, as well as the local agencies shall be responsible to the association in accordance with the common law, for the performance of the duties incumbent upon them, and for errors committed in their performance.

### III.—*Workmen delegates.*

ART. 35. Workmen delegates may be added by the constitution to the board of directors, and to the subcommittees of the association.

Such addition shall be compulsory when these officials are called upon to determine the compensation due to injured persons by an accident, or to their legal representatives (article 47), or to elaborate rules concerning preventive measures against accidents (article 64).

Moreover, the workmen delegates shall constitute part of the boards of arbitration, deciding upon the appeals taken against the determination of the aforesaid compensation (article 52 and following).

In the three cases enumerated, the number of workmen delegates having a deliberative vote must be equal to that of the employer members present at the deliberation.

The workmen delegates taking part in the deliberations, as well as at least two substitute members, living in the commune in which the meeting takes place, or the adjacent communes, shall be designated by lot from the appropriate lists.

For that purpose every three years there shall be held for each judicial canton, and for each class of industry, an election of workmen delegates by the workmen members of the managing boards of the sick benefit funds.

From these canton lists, delegates to the boards of arbitration shall be chosen by lot.

By means of these canton lists the board of directors shall prepare general lists of the country, either according to classes of industry or without such distinction, and in all other cases delegates shall be drawn by lot from these lists, in accordance with the appropriate provisions of the law and of the regulations and the constitution.

The conditions for eligibility and the grounds of excuse enumerated in article 32 of this law shall be applicable to workmen delegates, with the exception of the condition named in paragraph 2 of said article. On the other hand, these delegates must belong to a sick benefit fund, and have been engaged for at least one year in an establishment situated in the canton and affiliated with the association.

The provisions of article 34 of this law shall be equally applicable to workmen delegates.

They shall receive compensation for the loss of wages and for traveling expenses, in accordance with rates to be determined pursuant to the constitution, and this shall be at the expense of the State, if it concerns a delegate to the board of arbitrators, but at the expense of the association in all other cases.

Government regulations will determine the number of delegates to be chosen by cantons and by classes of industries, the electoral rights of sick benefit funds, and the procedure of election, of appeal and of verification.

### IV.—*The legal status of the association.*

ARTICLE 36. The accident insurance association shall be regarded as a public utility organization.

It shall enjoy the following rights:

1st. The power to appeal in a law suit at the instance and by the act of its president. It shall be similar to the benevolent organizations mentioned in the law of March 23, 1893, in that it has the right to sue in contract;

2nd. The power to own and to lease personal property, as well as real property; to own real property considered by the Government as advantageous to the existence and prosperity of the association, and to do all other acts relating to these rights;

3rd. The power to receive gifts and legacies in accordance with the law of May 11, 1892. Real property designated in an act of gift or a testamentary bequest shall be sold within a period prescribed by the decree authorizing its acceptance, unless the possession of such real property shall be considered advantageous to the existence and prosperity of the association.

4th. Exemption from stamp duties, from registration fees and succession charges for all acts done in its name and in its behalf. All certificates, notarial documents, acts of authorization or revocation, and other acts which must be produced by the members of the association or the insured shall be delivered gratuitously and free from all fees.

5th. Free delivery, without stamp duties, by the communal administration of all abstracts of the civil registers.

6th. Complete exemption from direct taxes, and from all assessments upon its income from personal as well as from real property used in its business.

7th. Free postage for all communications sent by post, made by the association, and for all the communications addressed to it by the public authorities, by its members, or by the insured, pursuant to the law, rules, and constitution.

No execution can be issued against it without written notice having been previously communicated to the Government.

The property of the association is the only security for its obligations.

ART. 37. The association shall have the power of depositing in the savings bank whatever surplus funds it may possess, regardless of the amount. The rate of interest to be received will be regulated by the Government, the savings bank consenting thereto.

The Government may authorize, besides, other temporary deposits.

The other funds shall be employed in purchases of Luxemburg bonds, or with the consent of the Government, in purchasing other public securities or bonds of communal loans.

The bonds shall be deposited whenever acquired with the general treasury. For the Luxemburg bonds, a certificate of deposit shall be issued in the name of the association.

The Government may likewise authorize the investment, not to exceed one-half of the association's funds, in any other way, as, for example, mortgages or real estate, especially in behalf of the construction of cheap dwellings, or in the securities of an agricultural bank, if such be established in the Grand Duchy.

#### V.—*Ways and means.*

ARTICLE 38. The expenses of the insurance association shall be covered at the end of the fiscal year by means of premiums paid by its members in proportion to the wages and salaries earned in each establishment or branch establishment, and according to the coefficient of risk in the class to which the establishment or the branch establishment belongs.

The rate of premium shall be calculated in the following manner:

(a) To cover the running expenses of the fiscal year resulting from the rendering of aid, compensations, and the expenses enumerated by this law and by the rules and constitution.

(b) To establish in accordance with actuarial rules, approved by the Government, the capitalized values of the pensions allowed under this law.

(c) To cover the losses sustained and to establish a reserve fund.

The collection of dues from members of the association and the use of the assets of the association for other purposes than those indicated above, or for the paying of premiums to rescuers of injured persons, or for the expenses of measures for preventing accidents and the acquisition, with the consent of the Government, of hospitals for the sick and convalescent, shall be prohibited.

ART. 39. The members of the association may be compelled to pay quarterly advances on the total amount of their annual dues, not exceeding one-fourth of the dues of the preceding fiscal year.

For the first year, and for each new member, these advances shall be determined by the board of directors of the association upon the basis of salaries or earnings indicated by the statement of the establishments.

ART. 40. The heads of enterprises whose places of business are abroad, but who temporarily carry on in the Grand Duchy an industry subject to insurance, may be compelled by the board of directors of the association to pay the ordinary dues, increased by fifty per cent, and to file a bond.

VI.—*Reserve funds.*

ARTICLE 41. The association must create a reserve fund, towards the establishment of which it must each year apply at least five per cent of its expenses, up to a point where the fund shall have reached, with the accruing interest, the amount of the average expense for the last three years.

As soon as this minimum is attained, the interest may be used for the payment of the ordinary expenses of the association.

The general meeting may decree that other available sums shall be used for the formation of a reserve fund and that the latter shall be raised to an amount exceeding the average annual expense for the last three years.

Resolutions of this nature shall be submitted to the approval of the Government.

In cases of urgent necessity the board of directors may, with the previous authorization of the Government, employ the interest, and even the principal of the reserve fund, before the latter has attained its legal minimum. In that event the Government will prescribe the necessary provisions for the reaccumulation of said fund.

For the first year, and until the reserve fund reaches one-half of its legal minimum, the Government shall be authorized to make advances to the association, the reimbursement of which will be regulated by mutual agreement.

VII.—*Classes of risks.*

ARTICLE 42. All the establishments subject to insurance shall be divided into classes of risks, in accordance with the danger which they present. To each class of risks a coefficient applicable to different establishments and subdivisions of establishments shall be assigned in accordance with the risks inherent in each one of them.

The tariff of risks shall be established the first time by the Government, and published in the Memorial. At least once every three years the list shall be subject to verification by the general meeting, which, taking into consideration the results indicated by statistics, may modify the tariff or continue it.

Every modification of the rate shall be subject to the approval of the Government and be published in the Memorial at least fifteen days before it is to take effect.

If the meeting neglects to order the necessary modifications, the Government shall require a consideration of the subject. In case of refusal, the Government shall make the necessary modifications in the tariff of risks, and these shall be applied in that form after its publication in the Memorial.

ART. 43. The duty of assigning the establishments or branches of establishments to different classes of risks shall fall upon the board of directors of the association.

After that classification the board of directors may, during the fiscal year, assign an enterprise to a new class, if the first assignment rests upon inexact data furnished by the proprietor.

The board of directors may fix a special rate, not exceeding the highest official rate, for establishments for which no official rate of risks has been provided.

If an establishment presents extraordinary dangers, either on account of a want of usual general preventive measures or because of the frequency of accident resulting from defective machinery or insufficient supervision, the official rate may be increased not more than fifty per cent.

If by its method of operation, through extraordinary safety precautions or for other reasons, an industry presents less danger than those presumed when the tariff of risks was elaborated, the official rate of risks may be decreased not more than fifty per cent.

VIII.—*Supervision of the insurance association.*

ARTICLE 44. The administration and management of the insurance association shall be subject to the authority of the Government, which shall take care that the provisions of the law and of the constitution be observed.

All the government decisions shall be final, in so far as this law does not contain provisions to the contrary (article 59).

The Government shall be authorized at all times to audit the transactions of the association or to cause them to be audited.

The president, the members of the board of directors and of the subcommittees, the local agents, and the employees of the association shall be obliged to produce their books, receipts, and correspondence, together with documents relating to the determination of compensation and of annual dues. They may be compelled to do so for the benefit of the association, under penalty of fines ranging progressively up to 500 francs [\$96.50].

The form of bookkeeping shall be prescribed by the Government, which shall receive yearly an account of the transactions.

The Government shall determine, under reservation of the rights of third parties, differences which may arise as to the rights and obligations of the officials of the association, the interpretation of the constitution, and the validity of elections.

**TITLE III.—RIGHTS AND OBLIGATIONS OF ENTREPRENEURS AND OF INSURED PERSONS.**

*I.—Duties of entrepreneurs.*

**ARTICLE 45.** Heads of establishments designated in article 1 shall be regarded as members of the association from the time this law goes into effect; heads of establishments coming into existence after the enactment of this law, or of those subject to insurance by virtue of articles 2 and 3 (pars. 2 and 4) [sic.] shall be affiliated with the association from the opening of their establishments or from the time determined for the final application of the provisions enumerated, as the case may be.

An administrative ordinance will determine as to the statements of the kind of establishment and change of work, the procedure of becoming affiliated with the association, the furnishing of data relating to persons insured, and of the wages paid in the different branches of an industry, the keeping of lists of workmen and of wages, or workmen's certificates, the method of apportioning the premiums to be paid, the joint liability of an employer who is about to retire and of his successor, accident reports, the procedure of government investigations, one-half of the expense of which shall be defrayed by the State, the production of statements relating to salaries and earnings of injured persons necessary for the determination of the pension, the right of the board of directors to cause the declarations of entrepreneurs to be verified by special agents making an inspection of books and documents, and to impose the expense of these inspections upon the entrepreneurs in question.

*II.—The collection of dues and other charges.*

**ARTICLE 46.** The collection of dues (article 38), of advances (article 39), of deposits made as security (articles 40 and 27 (section 6)), and of fines and disbursements incurred at the expense of the interested parties under this law, the rules, or the constitution, shall be conducted by the department of taxes and excises (administration des contributions et accises) furnished for that purpose with the appropriate lists prepared by the board of directors.

The entrepreneurs interested shall pay the dues, fines, deposits, and disbursements within a fortnight of the publication of the tax roll, or of the decision inflicting a fine, or of the demand for a deposit or for reimbursement for expenses, as the case may be. The advances shall be payable within the first fortnight which follows the expiration of a quarter of the fiscal year or at the time of falling due, determined in the constitution.

The collection of all these sums shall be accomplished in the same manner and with the same privileges as that of direct taxes. In the event, however, of the two conflicting, the latter shall have priority.

The statute of limitations shall bar the collection of these debts after the expiration of three years from the end of the year when they become due.

*III.—The determination and payment of compensation to surviving beneficiaries.*

**ARTICLE 47.** The determination of the amount of compensation due to persons injured by accidents or due to their surviving beneficiaries shall be made as soon as possible by the officers of the association, with the concurrence of the workmen delegates designated by lot from the general list (article 35).

Surviving beneficiaries whose right to compensation has not been determined by an official act must, under penalty of forfeiture, present their claim to the board of directors within two years from the date of the accident, or from the day of the occurrence of the injured person's death, if such death resulted from the injuries received.

These claims shall be receivable after the expiration of that period, only when it shall have been proven that the consequences of the accident from the point of view of capacity of the injured person to perform work could not have been determined earlier, or that the interested party has been prevented from making his demand through circumstances beyond his control.

If the claim is admitted, the amount of the compensation shall be immediately determined. If a rejection is ordered, it shall be formulated in a written decision stating the reasons.

Applications for the revision of compensation, based upon an aggravation or upon a diminution of the incapacity of the injured person, or upon his death by reason of the

accident may be filed within three years from the date of the first determination by the association or from the final judgment, in case of an appeal.

A government ordinance will establish the procedure to be followed in determining compensation, as well as its subsequent modification, the communication of these decisions to the interested parties, the time when claims allowed become due, and their payment by the administration of the postal service upon whom it is incumbent to make advances to the association for the current fiscal year.

#### IV.—*Suspension of the pension.*

ARTICLE 48. The right to receive a pension shall be suspended:—

1st. During the period of time in which the interested party undergoes an imprisonment exceeding one month in duration, or is detained in a house of correction;

2nd. During all the time that a foreign surviving beneficiary does not reside in the Grand Duchy.

The effect of this provision may be suspended by the Government.

If, in the above named instance, the surviving beneficiary has parents who, in case of his death, would have a right to the pension, then such pension shall be paid to the parents to the extent of their claims should death have occurred.

Parents not residing in the Grand Duchy may not receive this pension without a special dispensation of the Government.

#### V.—*Lump sum payments.*

ARTICLE 49. If, in case of a partial incapacity to work, the pension granted does not exceed ten per cent of the total pension, the board of directors may substitute in place of the pension payment, a single payment corresponding to its capitalized value (article 38).

If the pension paid exceeds ten per cent of the total pension, without reaching twenty per cent, the board of directors shall have the same power if the claimant demands it.

The advice of the college of the burgomaster and aldermen (*College des bourgmestre et echevins*) of the domicile where the party interested resides shall be heard in the matter before such payment of a capital sum is made.

Foreigners who leave the Grand Duchy without intention to return may be compensated by a lump sum payment equal to three times the annual pension.

The Government may suspend application of this provision.

#### VI.—*Executions and assignments.*

ARTICLE 50. The compensation paid pursuant to this law may be attached, assigned, or seized without regard to the amount.—

1st. To reimburse the advances made to the claimant after the accident by the entrepreneur, or by a member of the board of directors;

2nd. To cover the claims resulting from articles 203, 205, 206, 207, and 214 of the Civil Code;

3rd. To reimburse the expense of the State, communes, and aid societies enumerated in article 25.

The sums allowed may be repaid within limits to be determined by law together with compensation improperly paid, the repayable expenses of bringing suit, and fines levied.

For the rest the laws of July 19, 1895, on executions and attachments, on procedure of attachment of wages and of small allowances of workmen and salaried employees, shall apply.

#### VII.—*Appeal from the decisions concerning compensation.*

ARTICLE 51. Contests relating to the determination of compensation or to the rejection of a claim for compensation shall be judged in accordance with articles 52 and following of this law.

The fact that an appeal is pending shall not hinder the provisional execution of interlocutory decisions, with the exception of that created pursuant to article 49 of this law, which shall be suspended.

The transcript of these decisions shall reproduce the two preceding provisions, specify the period of delay within which judicial action must be begun, and designate the competent tribunal to give final judgment.

If the board of directors later modifies the amount of the pension on account of an essential change in the conditions which have prompted the first determination of the



pension, and before the latter has become final, the decision of modification of the pension must mention the fact that the outcome of the contest with respect to the first determination of the pension shall have no influence upon the carrying out of the second one with respect to which a new appeal may be taken.

A copy of the new determination of the pension shall be transmitted by the board of directors to the tribunal having jurisdiction over the first contest; the tribunal may, in determining upon the claim, decide likewise the amount due at the beginning of the pension as modified. In that event any later action brought against the last determination of the pension shall be of no effect.

#### TITLE IV.—CONTESTS, FINES AND APPEALS.

##### I.—*Judicial decisions.*

ARTICLE 52. The justice of the peace in whose jurisdiction is located the enterprise in which the accident has happened, sitting as arbitrator, shall be competent to judge contests in relation to compensation provided by this law, whatever may be the amount of the latter.

Suits in relation to these contests shall be brought within forty days from the notification of the decision provided for by article 47, under penalty of becoming void.

They shall be brought in the form of a simple petition upon unstamped paper, and placed upon record with the justice of the peace.

The insurance association and surviving beneficiaries having a right to compensation shall enjoy full right of legal assistance, which shall extend both to suits before a court of arbitration and to the Superior Court in all actions for execution involving either personal or real property, and to every contest incident to the carrying out of the judicial decisions.

Registration of all acts, judgments, and decrees relating to suits with respect to claims shall be free. This exemption is applicable also to stamp duties and clerks' office fees: the salaries of clerks, however, are excepted.

ART. 53. In all these cases the justice of the peace shall be assisted by a delegate from the employers and one from the workmen, each of whom shall have a consultative voice.

The delegates must belong, so far as possible, to the class of industry to which the establishment where the accident giving rise to the compensation belongs.

For each series of pending cases the judge shall draw, by lot, in one of the public hearings, from the appropriate lists of the classes of industries concerned the delegates from the employers and those from the workmen, in sufficient number, so that for each kind of delegates there may be at least two substitute delegates living in the commune of the chief town of the canton, or in the neighboring communes.

Like the lists mentioned in article 35, there shall be prepared every three years for each judicial canton a list comprising the delegates of the employers elected by the general meeting of the association, arranged according to industries.

An administrative ordinance will regulate the number of delegates from employers to be designated by cantons and by classes of industry, the procedure of election, and the compensation of such delegates, which shall be at the expense of the State.

ART. 54. The judge shall summon by registered letter the parties concerned and the delegates, at least five days in advance, naming therein the day, the hour, and the place of meeting, which will be in the chambers of the justice of the peace.

Every objection to the call of a delegate must be presented before the commencement of proceedings. The judge shall decide immediately and without appeal.

Every delegate who, without legal cause or without a legitimate reason, fails to be present at a session, or who refuses to take part in a deliberation, shall be liable to a fine of from 16 to 300 francs [\$3.09 to \$57.90]. The fine shall be imposed by the judge whose decision is final in case of a protest by the delegate so fined.

Delegates may not assist the judge in any case wherein either themselves, their parents, or other relatives to the fourth degree inclusive, have a personal interest.

They may likewise take no part in deliberations concerning matters in which they have already participated in some other capacity.

They may also be disqualified for reasons indicated in article 398 of the Code of Civil Procedure.

ART. 55. When the tribunal is organized each delegate shall take an oath to perform his duties impartially, and to keep all deliberations secret.

The parties or their attorneys may present their arguments in summary form.

The tribunal may hear all persons whom it thinks capable of throwing light on the subject, and give all necessary instructions.



The hearing shall be public. After the closing of the arguments, which shall be announced by the judge, the court shall retire immediately to deliberate, without intermission.

The decision must state the grounds upon which it is based.

The procedure to be followed will be determined in its details by an administrative ordinance.

ART. 56. The arbitration tribunal in making decisions in conformity with article 52 and the following articles of this law, shall pronounce as a court of last resort judgment up to the sum of 1,500 francs [\$289.50], and with the possibility of an appeal when the suit exceeds that amount. A government ordinance will determine the capitalized value of the pensions claimed by the persons injured by accident, with respect to the application of this article.

However, an appeal must be taken within a fortnight of the date of the judgment, if the suit is contested; and, if it is made by default, within a fortnight from the day when protest will no longer be received.

No protest will be received fifteen days after notice of the judgment.

The court shall decide promptly.

The parties may appeal to the court of cassation. Such appeal shall be formulated within a fortnight from the time of the notice of the decree on penalty of forfeiture.

The tariff of costs of the actions prosecuted pursuant to this law will be determined and modified by administrative ordinances; the same shall be true of the tariffs of fees to be awarded advocates in the suits.

ART. 57. The court shall be bound by the decision of the board of directors, or of the superior administrative authority in regard to including an establishment in the insurance.

If an accident has occurred in an establishment to which no certificate of affiliation has been issued by the board of directors, the judge must refer the parties, in case of a dispute, to the Government, and eventually to the Council of State. If the claimant is being prosecuted criminally, the outcome of which prosecution, pursuant to article 20, paragraph 2, may result in the refusal of compensation to the person prosecuted, the action before the justice of the peace shall be suspended until the end of such prosecution.

If the recognition or nonrecognition of existing relationship between the injured person and his surviving beneficiaries claiming compensation constitutes a condition precedent to the right of compensation, the justice of the peace must refer the parties to the ordinary courts for the determination of the interlocutory question of such relationship.

## II.—*Fines.*

ARTICLE 58. Proprietors who do not fulfill the duties imposed upon them by this law, or by the regulations issued for its execution, or who furnish tardily, or inexactly, without proper care, the information required by this law or the aforesaid regulations, shall be punishable by a fine of from 1 to 300 francs [\$0.19 to \$57.90], to be imposed, in case of such default, by the board of directors for the benefit of the association.

## III.—*Administrative decisions.*

ARTICLE 59. The Government will decide disputes arising between the insurance association on the one hand, and the entrepreneurs, landlords, sick benefit funds, communes, and benevolent institutions on the other hand, with regard to the provisions of articles 15, 17, 18, 19 (paragraph 2), 25, 26, 28 (paragraph 1), 32, 38, 39, 40, 43, 44, 45, 58, 64, 68 (paragraph 2), 69, 70 and 71 of this law, and of the regulations for its execution issued pursuant to these articles.

Appeals must be filed with the secretary of the board of directors within ten days from the notice of entry of the decision appealed from, under penalty of forfeiture of right to appeal.

If the board of directors adheres to its decision, it must submit the appeal to the decision of the Government.

The appeal does not effect a stay, unless otherwise provided by the Government.

Appeal may be taken from the decisions of the Government, made pursuant to the aforesaid articles, to the committee on disputes of the Council of State.

That appeal must be taken, in accordance with the rules of procedure in litigation sanctioned by the Grand Ducal Edict of August 26, 1866, within one month from notice of the decision from which appeal is taken. It is not necessary to employ counsel.

The board shall decide as if it had original jurisdiction.

## TITLE V.—MISCELLANEOUS PROVISIONS.

I.—*Previous contracts of insurance.*

**ARTICLE 60.** The rights and obligations resulting from insurance contracts entered into with private companies by heads of establishments subject to compulsory insurance under this law, or the regulations carrying it into effect, or by the persons insured employed in such establishments, for the purpose of protecting themselves against industrial accidents, shall, after the enactment of this law or regulations, be transferred to the association whenever the party who contracted the insurance makes such demand from the board of directors within two months from the aforesaid date.

The expenses resulting from such transference of insurance shall be defrayed by the association.

During a period of one year, commencing with the taking effect of the above provisions, the insurance contracts not having a date of expiration before January 1, 1902, may be abrogated by the insurer or by the association, either by means of a declaration to be made at the office of the association and to the principal agent and the local agent respectively, for which declaration receipt shall be given, or by an extra-legal act.

II.—*Prohibition of restrictions by agreement.*

**ARTICLE 61.** The association and entrepreneurs are forbidden to exclude or to restrict the application of the provisions of this law, by means of regulations or of private agreements to the detriment of the insured.

The clauses of the agreements violating this prohibition shall have no legal effect.

Further, the entrepreneurs or their employees who enter into such contracts shall be punishable by a fine of from 26 francs to 1,000 francs [\$5.02 to \$193].

The penalty shall, however, not be applied except in cases where the restriction or exclusion of the legal provisions have been agreed upon with the intention of procuring an illegal pecuniary advantage to the party interested or to his employer and a damage to the insured.

The aforesaid penalty shall be imposed likewise upon entrepreneurs or their employees who deduct in whole or in part the dues paid to the association from the wages of the workmen, or who knowingly cause such deduction to be made.

The provisions of Book I of the Penal Code, with the exception of paragraphs 2 and 3, of article 72, and paragraphs 2, 3 and 4 of article 76, as well as those of the law of June 18, 1879, giving power to the courts and tribunals to take into consideration extenuating circumstances, shall be applicable to the penal infractions provided for by this law.

III.—*Assistance by public authorities.*

**ARTICLE 62.** Public authorities shall be bound to render assistance to the association and its agencies, and to insure the execution of this law.

They are also required to communicate to the board of directors, through their own superior officials, such matters as may be of interest to its business.

Any expenses thereof shall be reimbursed by the association.

IV.—*Notifications.*

**ARTICLE 63.** Notices from the giving of which the time for appeal is reckoned shall be made by registered letter.

If the addressee refuses to receive the letter, the time for appeal shall run from the date of such refusal.

Persons who do not reside in the Grand Duchy may be compelled, upon demand of the board of directors or its officials, to choose a place where such notice may be served. In default of such choice, the notice shall be given by posting it for eight days in the offices of the board of directors, of the post-office charged with the notification, and in that of the secretary of the commune in which the party interested last resided.

The same procedure shall be followed if the actual place of residence is unknown.

If the interested party has not had knowledge of the notice, or did not get notice soon enough, without his fault, he shall be reinstated in his rights upon his demand. This demand must be made within eight days, commencing with the day when he became aware of such notice.

## TITLE VI.—PREVENTIVE MEASURES AGAINST ACCIDENTS.

**ARTICLE 64.** The members of the association shall be obliged to take the necessary measures to protect the workmen, in order to avoid accidents.

For that purpose the association may issue for all the establishments within its jurisdiction, or for certain branches of industries, or for certain kinds of work, regulations as follows:

1st. Concerning the measures to be taken by its members, with a view to prevent accidents and to protect the life and health of the workmen, upon default of which the board of directors may penalize transgressors by a fine of from 1 franc to 300 francs [\$0.19 to \$57.90], or it may assign their establishments to a higher class of risks, or, when that industry is already included in the highest class of risks, impose upon it dues, not to exceed twice the regular amount. A reasonable time will be granted members to enable them to carry out the prescribed measures.

2nd. Upon the precautions to be taken by the insured parties, in order to avoid accidents, in default of which precautions the board of directors may impose a fine of from 1 franc to 10 francs [\$0.19 to \$1.93] upon the transgressors for the benefit of the sick benefit fund to which the insured belongs, and if he does not belong to a sick benefit fund, for the benefit of the benevolent bureau of his place of residence.

Rules of this kind shall be submitted for the approval of the Government, and then brought to the notice of the officers of the police and that of the entrepreneurs. The latter will call such rules, in so far as they pertain to their establishments, to the attention of their workmen by posting extracts of such rules in places designated for that purpose.

**ART. 65.** For the purpose of preparing and publishing the rules aforesaid, the board of directors, or the commission created for that purpose, shall associate with it workmen delegates as provided in article 35 aforesaid.

These delegates shall be chosen by lot by the president from the general list of workmen delegates, at a meeting of the board of directors.

If the preventive measures concern only certain branches of industry or kinds of labor, the drawing of the lots shall be confined to workmen delegates belonging to the industries interested.

The presence of the mining engineer and inspectors of factories at these deliberations may be required either by the board or by the commission, as well as by the workmen delegates, in which event the parties so called in shall have a consultative voice in the proceedings.

At their demand these functionaries must be heard at all times.

A copy of the minutes of the deliberations, showing the vote of the workmen delegates, shall be sent to the Government.

**ART. 66.** The board of directors is authorized to determine, by inspection of affiliated establishments, whether and what preventive measures against accidents have been taken, and whether the protective measures and precautions prescribed by article 64 are observed.

The inspection may be made independently of the members of the board of directors, and of the local agencies, by the members of committees designated for that purpose, or by employees specially appointed at the general meeting.

At the request of the board of directors the engineer of mines and the inspectors of factories shall inspect the establishments within their respective jurisdictions with the foregoing view, and shall communicate the result of their investigations to it.

The members of the association must permit all persons duly qualified to enter into their factories during working hours.

**ART. 67.** The officials and the employees of the association must use discretion with respect to matters which have come to their knowledge through their supervision of establishments, and must abstain from all imitation of installations and processes which are held secret by the entrepreneurs and which come to their knowledge as long as these provisions and processes are the secrets of the establishments.

The special employees charged with the inspection of the establishments shall be sworn for that purpose by the justice of the peace of their place of residence.

Whoever shall violate the provisions of paragraph 1 of this article shall be punished in accordance with article 458 of the Penal Code.

**ART. 68.** The general meeting of the association shall determine the amount of expenses to be incurred annually in inspecting establishments.

The expenses of the inspection shall be borne by the association. As far as they consist of disbursements they may be imposed by the board of directors upon the head of the establishment, if the latter has caused the expenses by failure to fulfill the duties incumbent upon him.

**TITLE VII.—SPECIAL PROVISIONS CONCERNING INSURANCE OF THE BUILDING AND CONSTRUCTION INDUSTRIES.**

**ARTICLE 69.** Commencing with the day when article 1, paragraph 13, of this law goes into effect, the State shall be a member of the insurance association by reason of government work which it carries on its own account without the intervention of a professional contractor.

By reason of similar works the communes, public institutions, and corporations shall be compelled to affiliate with the associations by a proper declaration filed with the board of directors.

Moreover, insurance shall be at the expense of the party on whose account the work is carried on, and for the benefit of persons engaged in works which are neither executed by a professional contractor nor in an establishment already insured when, considered by itself, more than twelve working days have been consumed in the execution of such work.

Current repairs of structures used in connection with agricultural or forestry undertakings, as well as work done for the cultivation of the soil or other work connected with an agricultural establishment, and particularly the building and repairing for agricultural purposes of roads, dikes, canals, and conduits shall be considered as integral parts of the agricultural and forestry establishment, and therefore as exempt from compulsory insurance whenever the heads of agricultural and forestry establishments carry on said industries upon their own account employing either exclusively or in large part forest and agricultural workmen, without the intervention of other contractors.

**ART. 70.** Proprietors on whose account the works enumerated in article 69, paragraph 3, are carried on shall not be members of the association.

They must submit to the board of directors not later than three days after the expiration of each month a statement showing the number of working days in that month occupied in accomplishing the work in question and the wages earned by the insured. The nature of the work shall likewise be indicated in the statements and the form of these statements will be regulated by the Government.

If the statements are not furnished within time to be used, or if they are incomplete, the board of directors shall estimate the number of working days occupied in the execution of the work, as well as the wages of the workmen engaged in said work.

The rates of dues shall be fixed by the board of directors, in accordance with the coefficient of the class of risk.

If the official tariff does not provide the appropriate rate for the work carried on, the dues shall be calculated in accordance with the highest rate provided for works of construction.

For landlords who regularly carry on work on their own account, the proportionate dues may be replaced by payments determined in advance and by contract. In such cases the presentation of statements indicated above shall not be necessary.

The landlord for whom work has been executed by an intermediate entrepreneur shall be responsible for the dues of the entrepreneur in case of his insolvency. This responsibility shall last for one year after the determination of the amount of dues.

**ART. 71.** The insurance of persons engaged in work enumerated in article 69, paragraph 3, and for the execution of which twelve working days or less are occupied shall be at the expense of the State.

Consequently the compensation paid to these persons, including the capitalization of pensions due, as well as a proportionate part of the expenses of administration, and of the reserve fund, if any, shall be reimbursed by the State to the association at the end of each fiscal year.

The determination of the compensation shall be made on the basis of 280 times the usual wages of adult workmen in the neighborhood (article 14 of the law concerning insurance against sickness) unless the surviving beneficiary proves that the actual wages of the injured person during the last year were more than that amount. In that event the actual wages shall serve as a basis of calculation for the compensation.

The State may reimburse itself for the amounts thus paid out by means of additional assessments to the land tax (contributions foncières) of improved properties.

By a general administrative ordinance the compulsory insurance may be extended to contractors who do not earn an annual profit of more than 1500 francs [\$289.50], and do not employ regularly at least one paid workman.

The insurance of these persons shall be made in accordance with the preceding provisions.

**TITLE VIII.—THE TAKING EFFECT OF THIS LAW.**

**ARTICLE 72.** A grand ducal edict will determine the time when the provisions of this law shall go into effect.



**LAW OF DECEMBER 23, 1904, CONCERNING THE EXTENSION OF COMPULSORY INSURANCE AGAINST ACCIDENTS. (a)**

**ARTICLE 1.** The law of April 5, 1902, concerning compulsory insurance of workmen against accidents, is amended by the provisions which follow:

**ART. 2.** Beside the firms and establishments enumerated in article 1 of the law before mentioned, compulsory insurance against accidents shall include:

Tanning and currying establishments;

Malting establishments, manufacture of champagne, aerated water, and manufacture of preserves;

Manufacture of candles, soaps, colors and varnish, and paper;

Vinegar factories;

Firms engaged in loading and unloading, and warehouses for merchandise;

Textile industries;

Printing and lithography;

Glove making and auxiliary industries;

Tobacco factories;

Limekilns;

The trades of joiner, wheelwright, tinsmith, chimney building, and those engaged in the occupation of window cleaning;

The state postal service so far as concerns the active service of the transportation and despatch of parcels;

In general, excluding commerce, agriculture, and its related industries, the insurance includes all factories, works, manufacturing and industrial establishments as well as all trades not especially mentioned herewith.

By factories are understood, in the meaning of the present law, all industrial establishments which manufacture or work up commodities for the purpose of profit.

Article 2, section 1, of the law of April 5, 1902, is hereby repealed.

**ART. 3.** Nevertheless an order by the public administration may exempt from compulsory insurance establishments or trades which have only an insignificant trade risk and which are not enumerated by the law as subject to compulsory insurance.

The employers in the establishments mentioned in the preceding paragraph as well as in commercial establishments are, however, authorized to insure their personnel against the results of industrial accidents by making a written declaration relative thereto to the president of the accident insurance association. The declaration must include all the personnel and the entire work in this occupation, as described in the following article. The optional insurance becomes operative the day following the declaration and ceases after a notice of withdrawal, to be made to the president of the association at least three months in advance of the end of the fiscal period.

**ART. 4.** The last paragraph of article 2 of the law of April 5, 1902, is replaced by the following provision:

Establishments including several lines of business are subject to compulsory insurance for the whole personnel employed in the different lines and for the entire work which is done by each employee, even if not regularly, by order of the employer or the representative of the latter, when only one of these lines of business is subject to insurance, either compulsory or voluntary.

**ART. 5.** The final paragraph of article 60 of the law of April 5, 1902, is replaced by the following provisions:

Within one year from the time this law becomes of force or from the compulsory or voluntary affiliation with the insurance association, notice of the annulment of the insurance contracts can be given by the insurer or by the association, either by means of a declaration made at the seat of the association and respectively with the general or local agent and for which a receipt shall be given, or by an extralegal act.

Such notification shall not give the right to any indemnity for contracts entered into before January 1, 1904, or which may have been extended either formally or by tacit agreement after this date. In regard to other contracts, the indemnity to be paid to the insurance carrier, when the notice of cancellation comes from the association, shall be fixed by mutual agreement between the latter and the insurer. It shall not in any case exceed 15 per cent of the value of the annual premiums at the date of the expiration of the contract, which may not be more than five years from the time of the assumption of the contracts by the association.

The preceding provisions apply equally to insurance contracts concerning either establishments which, after having been exempt from the insurance in virtue of paragraph 1, article 3, shall become subject to insurance under a subsequent provision, or establishments affiliated with the association by grand-ducal decree in conformity

with article 3, or on voluntary declaration of the head of the establishment. Notice of the cancellation of these contracts can be given with a delay of one year, beginning from the day of the affiliation of the establishments. In order to give right to an indemnity, the notice emanating from the association must relate to contracts entered at least one year before the affiliation with the association of the establishments concerned.

The preceding provisions shall not work prejudice to the contracts entered into at this date between the association or the insurers.

ART. 6. All the provisions of the law of April 5, 1902, not abrogated are applicable to the establishments or trades subject to insurance, whether by reason of obligation or optional in virtue of or by application of this law.

ART. 7. This law shall take effect January 1, 1905.

The Government is authorized to take all preparatory measures before this date.

Nonobservance of these provisions shall be punishable by a fine as imposed by article 58 of the law of April 5, 1902.



## NETHERLANDS.

### LAW OF JANUARY 2<sup>nd</sup>, 1901, RELATING TO LEGAL INSURANCE OF WORKINGMEN AGAINST INJURIES RESULTING FROM ACCIDENTS IN CERTAIN INDUSTRIES.<sup>(a)</sup>

#### TITLE I.

##### *Introductory regulations.*

ARTICLE 1. The workmen in the establishments mentioned below shall be, in accordance with the regulations of this law, insured against the economic consequences of accidents with which they may meet at work.

ART. 2. By the term "employer" is meant, in this law, every natural or legal person (such as a corporation) who employs others for the performance of any of the work enumerated in article 10.

By the term "workman" is meant, in this law, a person working in the employer's establishment for wages.

Volunteers, apprentices and similar persons, who do not yet receive wages by reason of the uncompleted term of apprenticeship, are to be considered as workmen.

ART. 3. By a "business subject to insurance" is meant, in this law, one of the trades enumerated in article 10.

By an "establishment subject to insurance" is meant, in this law, an establishment in which a business subject to insurance is carried on.

When a public institution through its employees carries on such works as would, according to article 1, entitle the employees to insurance if it were being done in the service of private employers, then the public institutions must be regarded with reference to such works, as an employer of an establishment subject to insurance.

ART. 4. By "a motor" is meant, in this law, every contrivance intended to put in motion one, or more, instruments of labor.

ART. 5. By "wages," in this law, is meant every payment which the insured person received from his employer as remuneration for his work, or during any intermission of such work.

In case the wages consist partly or entirely of lodgings or of payments in kind, or both, their money value is to be estimated according to the local market price.

ART. 6. The wages of workmen who perform labor or service for the employer, which does not belong to the business subject to insurance, shall, as regards the application of this law, be considered as entirely earned in such business.

ART. 7. By "daily wages" are meant in this law, such wages as the workman earns on the average per day, at the time of the accident, in the establishment where such accident takes place.

The calculation of a day's wages must be made in accordance with the following regulations:

(I) If the workman has already been working in the establishment for one year, the wages paid to him by his employer during the year preceding the accident shall be divided by the number of days that he worked during that year for his employer.

If any suspension of operations in the business has taken place during that year, the days on which the employee did not work, but for which he was paid, shall, as regards the application of this law, be considered as working days. If the wages thus computed are less than the rate of wages earned during the week preceding the stoppage of work, then the daily wages shall be considered equal to such wages as were earned at the same time by workmen of the same class in the same or in a similar establishment, in the same or in a neighboring community.

(II) If on the day of the accident the workman had not yet been employed in the establishment for an entire year, or if through accident or sickness he had been during

<sup>a</sup> From Zacher, Die Arbeiterversicherung im Auslande. Heft XIII Die Arbeiterversicherung in den Niederlanden, pp. 52-111. Berlin, 1901.

that year prevented for at least seven days from earning his usual wages, then his daily wages shall be considered as equal to those of a workman of the same class meeting with an accident on the aforesaid day, and who had been working in the same or in a similar establishment an entire year and had not been prevented from working a part of the year through sickness.

If on the day of the accident no workman of the same group had been employed in the same or in a neighboring establishment for an entire year, then the daily wages of the workman shall be computed by dividing by 300 the average wages earned by workmen of the same class during the year preceding the accident in the same or in a similar industry, in the same or in a neighboring community.

(III) As regards workmen in industries to be designated by ordinance, which by their very nature can not be carried on throughout the entire year, but only for a certain part thereof, the Crown shall fix an amount, either generally or for separate communities, to be considered as the day's wages of such workmen. Different amounts may be established for various kinds of business, as well as for various classes of workmen of the same business.

ART. 8 (as amended by act of June 30, 1909). The daily wages of volunteers, apprentices, and of persons who by reason of an uncompleted apprenticeship receive no wages, or a wage lower than that received by the lowest-paid ordinary laborers in the same occupation or apprenticeship in the commune or in the neighboring communes in which that establishment is located, shall, for the purpose of determining the pensions and the funeral expense granted by this law, be computed by dividing the average wage received during the year preceding the day of the accident by the lowest-paid ordinary laborers, as already specified, by 300, provided such daily wages do not exceed 1 florin (40 cents). The same method shall be followed in regard to the wages of persons under 21 years of age, not being apprentices, and who do not receive the wages paid to the ordinary laborers of the same sex in the occupation in which they are engaged, in the commune or communes referred to.

If an accident occurs during the exercise of an occupation mentioned in article 7 (III) when the average daily wage paid to the lowest-paid ordinary laborers of the same sex computed according to the provisions of the preceding paragraph exceeds 1 florin (40 cents), the latter sum shall be taken as the rate of daily wages.

ART. 9. The regulations of this law shall also apply—

(a) to the employer whose establishment is located in the Netherlands even if he carries on his business from abroad, with reference to the workmen whom he employs, and who reside in this country.

(b) to workmen of the above-mentioned class (a) who meet with an accident abroad.

The regulations of this law do not apply—

(1) to the employer who carries on his business in the Netherlands, but whose establishment is located abroad, with reference to the workmen who are employed by him in this country but do not reside here, if in the country where the establishment is located there exists compulsory insurance against accidents which does not apply to workmen who reside in the Netherlands and who are employed in one of the above-mentioned establishments in that country belonging to an employer in the Netherlands.

(2) to workmen in the service of an employer referred to above, who carries on his business in the Netherlands but does not reside here, provided that a compulsory insurance against accidents exists in the country where the establishment of their employer is located, which insurance does not apply to workmen who reside in the Netherlands but are employed in that country in one of the afore-mentioned establishments belonging to an employer in the Netherlands.

## TITLE II.

### *Business subject to insurance.*

ARTICLE 10. The establishments referred to in article 1 are—

1. all business establishments wherein any mechanical motive power is used;
2. establishments the running of which usually requires, either partly or entirely, the application of steam or gas whose tension proportionately to the contents of the reservoirs exceeds a certain limit to be regulated by administrative ordinance;
3. establishments which usually require, either partly or entirely, the use of explosives, volatile, or easily ignited materials to be designated by administrative ordinance, or such materials whose vapors, in coming in contact with the air, produce explosive combinations, when the materials mentioned are utilized in quantities exceeding a definite limit to be prescribed in the specified ordinance;
4. establishments dealing with the making, removing, or preservation of the materials enumerated in paragraph 3;
5. establishments of employers who handle the materials mentioned in paragraph 3 of this article, and who in the course of their business usually carry a stock of one or

more of the aforesaid materials in a quantity exceeding a definite limit to be prescribed by administrative ordinance;

6. shipping companies whose vessels sail regularly from one place to another in this country or which serve the purposes of inland water-communication, or frequent exclusively rivers and internal waters, and at the same time regularly come from and go abroad;

7. ferryboats;
8. fisheries on rivers and internal waters;
9. construction and demolition of ships;
10. ship rigging;
11. salvage of ships and cargoes;
12. operation of docks;
13. operation of locks and pontoon bridges;
14. operation of railways, tramways, omnibuses, conveyances, and riding establishments;
15. ballasting of ships, as well as for loading, unloading, piling up, weighing, measuring, transporting, and storing of merchandise;
16. the restoration, improvement, cutting through or destruction of streets, railways or tramways, canals, sluices, ports, docks, bridges, piers, or similar hydraulic structures;
17. diving;
18. laying, building, repair, testing, or removal of sewers, conduit pipes, electrical or lightning conductors;
19. earthworks, foundation building, pile driving, dredging, boring and drilling of wells;
20. peat digging;
21. mining of iron ore, quartz, and flint;
22. stone quarries;
23. polishing of diamonds or other precious stones;
24. building and wrecking establishments;
25. laying, improvement, or testing of roofings;
26. painting and glaziers' work;
27. paper hanging and upholstering;
28. stucco work;
29. window cleaning, cleaning of buildings and of façades;
30. chimney sweeping;
31. gas manufacturing;
32. metal, stone, wood, cork, and wicker working;
33. the working of straw in establishments utilizing mechanical motive power;
34. manufacturing and working up of glass, crockery, lime, brush, leather, or paper wares, cardboard, flax, cordage, sails, or soap;
35. basket making;
36. bark tanneries;
37. shoe factories utilizing machinery;
38. stone and pottery works and brick kilns;
39. cement factories;
40. book printing and bookbinding;
41. salt works;
42. drug stores and chemical factories;
43. laboratory work for scientific, technical, and educational purposes;
44. slaughterhouses, abattoirs, butcher shops, and packing houses;
45. fruit-preserving and canning factories;
46. fish drying, smoking, and salting;
47. breweries and vinegar factories;
48. manufactories of fermented drinks, as well as whiskey and liquor distilleries;
49. malt works;
50. mineral-water factories;
51. coffee substitutes and chicory factories;
52. creameries utilizing mechanical separators;
53. grease melting;
54. oil, gum lac, and varnish factories;
55. sealing-wax factories;
56. yeast factories;
57. tobacco factories;
58. rag sorting;
59. lamp lighting;
60. fire fighting;
61. street, ditch, sewer, and toilet cleanings, removal of ash and dirt, and fertilizer factories.

With reference to those terms contained in this article which embrace a group of trades, it shall be determined by ordinance what trades belong to each group.

ART. 11. Agriculture, cattle raising, horticulture or forestry, transportation of freight and persons on vessels not enumerated in article 10, No. 6, and fishing outside of rivers and internal waters are not subject to insurance, even though carried on in establishments wherein mechanical motive power is employed.

Neither are such shipping concerns subject to this insurance as are mentioned in article 10, No. 6, which operate only one boat having a capacity not exceeding 60 cubic meters and not driven by motor force.

ART. 12. If an employer carrying on a business referred to in article 10, No. 6, loads, unloads, stacks, weighs, measures, carries, or stores, through persons in his employ, freight which he has transported or which he is to transport by vessel, then it shall be assumed that the shipping business there (article 10, No. 6) referred to includes such loading, unloading, stacking, weighing, measuring, carrying, or storage of freight as far as the application of this law is concerned regarding these activities.

If an employer carries on the shipping business with vessels not mentioned in article 10, No. 6, and has organized his undertaking in this country or maintains an agent here, and such employer transports, loads, unloads, stacks, weighs, measures, carries, or stores, through persons in his employ, freight which he has transported or which he is to transport by vessel, then he shall be assumed to be engaged in the business of loading, unloading, stacking, weighing, measuring, carrying, or storing freight, as far as the application of this law is concerned regarding these activities.

### TITLE III.

#### *The Royal Insurance Bank.*

ARTICLE 13. For the execution of the provisions of article 1 of this law a royal institution is established at Amsterdam to be known as the Royal Insurance Bank.

The post-offices are also to act as branches of the said Royal Insurance Bank.

ART. 14. The fiscal year of the said Royal Insurance Bank shall run from the 1st day of January up to the 31st day of December, inclusive.

ART. 15. The management of the said Royal Insurance Bank shall consist of three directors, besides their subordinate officials, to be appointed, removed, and discharged by the Crown.

From these directors the Crown shall appoint the president.

The president shall represent the bank in all legal and other affairs.

In case of disability, necessary absence, or neglect of duty of the chairman his place shall be taken by the longest in service among the other members of the board of directors and when they have all been appointed by the same royal decree, by the one whose name appeared first in that decree.

Three members to act as substitutes shall be appointed by the Crown. They may be deposed and removed by the Crown and shall receive no compensation.

An adviser, expert in insurance, shall be attached to the Royal Insurance Bank, to be appointed by the Crown. He may be suspended and removed by the Crown.

The rules for the guidance of the board of directors, the expert adviser, and the office employees shall be issued by the Crown, upon a consultation with the supervisory council provided for in article 18.

The salaries of the chairman and of the other members of the board, the expert adviser, and the office employees shall be regulated by the Crown.

The Crown may award a compensation to the substitute directors for their services.

By the general regulations for administration the right of appointment, removal, and discharge of the officials, or any one of them, may be transferred to the minister of waterworks, commerce, and industry.

ART. 16. The board of directors shall be responsible and accountable to the minister of waterworks, commerce, and industry.

ART. 17. The board of directors shall provide for an annual compilation of accident statistics and shall have an actuarial balance drawn every five years.

### TITLE IV.

#### *The supervisory council.*

ARTICLE 18. The supervision of the standing and administration of the Royal Insurance Bank shall be exercised by a supervisory council.

The supervisory council shall consist of six or nine members to be appointed, removed, or discharged by the Crown.

One-third of the members shall be appointed from among employers, another third from among such workmen as are designated in article 3, paragraph 2, of the law concerning chambers of labor and who have sat or are now sitting in a chamber of labor as labor delegates or hold membership in the executive committee of a labor association recognized by royal decree.

At the expiration of three years after this law has come into force, one-third of the members shall give up office every two years, on the 1st day of July, in conformance with a list made up for this purpose.

Whoever is appointed as a substitute to a vacancy on the supervisory council, arising during the prescribed period, shall withdraw from office at the time when the member for whom he substitutes would have had to withdraw.

After separation from office a member can be reappointed only after the expiration of one year, unless his membership, at the time of his withdrawal, had not lasted for three years.

On the occurrence of a vacancy the supervisory council must furnish the Crown a list of nominees containing at least two names.

The chairman shall be appointed by the Crown from among the members.

The chairman and the other members of the council shall be granted a compensation for the attendance at each meeting, but they shall receive no salary.

A secretary to the supervisory council may be appointed by the Crown and if necessary he may be paid a salary to be fixed by the Crown. A certain annual amount to cover office expenses shall be allowed the said secretary by the Crown.

The secretary shall be appointed for a period of five years, but is subject at any time to removal or discharge by the Crown.

As to the rules of the work of the council, the Crown shall, upon a hearing of the said council, issue such orders as may be required.

#### TITLE V.

##### *The amount of compensation and its determination.*

ARTICLE 19. The Royal Insurance Bank shall grant to the insured person who has met with an accident while at work, by way of compensation, medical treatment and medicines, or their money equivalent, in accordance with regulations to be determined by general administrative ordinances.

ART. 20. If in consequence of the accident referred to in article 19 the insured person, in the opinion of the physician selected by the director of the Royal Insurance Bank, is incapable on the 3d day after the accident of performing his ordinary work in the establishment of his employer, he shall receive from the said bank, in addition, temporary payments from the day of the accident as long as the incapacity lasts, but not longer than up to the 43d day.

This payment shall amount to 70 per cent of the daily wages, insured for every day, exclusive of Sundays and such Christian holidays as are generally observed.

ART. 21 (as amended by act of June 30, 1909). Should the insured person, as a result of the accident referred to in article 19, be either partly or entirely incapacitated six weeks after the day of the accident, he shall receive from the Royal Insurance Bank a further compensation of a regular payment, known as a pension, during the time of such partial or entire incapacity, counting from the day of the accident.

This pension shall amount for each day, exclusive of Sundays and Christian holidays generally observed—

- (a) In case of total disability, to 70 per cent of the daily wages insured;
- (b) In case of partial disability, to a part of the pension referred to under (a) proportional to the disability.

If the insured person has for the reason mentioned in article 20 been granted temporary payments, then the compensation spoken of in the first paragraph shall commence only with the day following the last day on which he shall be entitled to the temporary payments.

The compensation specified in paragraph 1 shall not, for the six weeks following the day of the accident, exceed the temporary compensation which shall have been granted to the insured person per day of labor, on account of the accident.

In the computation of the payments specified in this and in the preceding articles, any part of a day's wages over and above 4 florins [\$1.61] shall not be taken into consideration.

ART. 22. For the purposes of the application of this law a workman shall be considered completely or partially disabled, if he has become either entirely or partially incapable of doing work corresponding to his strength and ability prior to the accident.

ART. 23. If the insured person dies as a result of an accident occurring while at work the Royal Insurance Bank shall grant the following indemnities:

1. Funeral expenses amounting to thirty times the daily wages of the deceased, to be paid to the surviving relative who is entitled to a pension, and who has arranged for the burial, and in the absence of any such relative it shall be paid to the person who has borne the funeral expenses.

2. A pension to the surviving relatives of the deceased, commencing from the day of death. The provision in the last paragraph of article 21 shall apply here.



ART. 24. The pension mentioned under 2 in the preceding article, shall amount for every day, exclusive of Sundays and Christian holidays generally observed, as follows:

(a) to the widow to whom the deceased was married at the time of the accident, 30 per cent of the daily earnings of the deceased, until death or re-marriage;

(b) to the widower to whom the deceased was married at the time of the accident, in so far as she contributed towards his support, until death or re-marriage, so much as the deceased had regularly contributed toward such support, but in no event more than 30 per cent of her daily wages;

(c) to every legitimate child of the deceased 15 per cent, and in case the child is or becomes orphaned, 20 per cent of the daily wages of the deceased;

(d) to every illegitimate child which had been legally recognized by the deceased prior to the accident, 15 per cent, and in case the child is or becomes orphaned, 20 per cent of the daily wages of the deceased;

(e) to the parents, or in the event of their nonexistence, to the grandparents of the deceased, if the latter was their support, an amount equal to that regularly contributed toward such support by the deceased, but in no event more than 30 per cent of his daily wages, this pension to continue until the death of the final survivor;

(f) to each orphan grandchild of the deceased, if the latter was its support, an amount equal to that regularly-contributed toward such support by the deceased, but in no event more than 20 per cent of his daily wages.

(g) to the parents-in-law of the deceased, if the latter was their support, an amount equal to that regularly contributed toward such support by the deceased, but in no event more than 30 per cent of his daily wages to be continued until the death of the last survivor; the right of the parents-in-law to such pension shall also cease in the cases provided for under 1 and 2 of article 377 of the Civil Code.

The provision in the last paragraph of article 21 shall apply here.

ART. 25. Should the widow referred to under *a* in the preceding article remarry, she shall cease to receive the pension, but she shall receive, as a final settlement, a lump sum equivalent to a pension for two years.

This provision also applies to the widower referred to under *b* in the preceding article.

ART. 26. A child or grandchild shall draw the pension until the completion of his or her 16th year.

ART. 27. The pensions allowed to the persons designated in article 24, shall not aggregate a total exceeding 60 per cent of the daily earnings of the deceased, with the understanding that the persons referred to under *g* in article 24 only then shall have a claim to a pension when those mentioned under *a*, *b*, *c*, *d*, *e* and *f* have all received their respective pensions in full; furthermore, that the persons referred to under *f* shall only then have a claim to a pension when those mentioned under *a*, *b*, *c*, *d* and *e* have received their respective pensions in full; lastly, the persons referred to under *e* are only then entitled to a pension when those enumerated under *a*, *b*, *c* and *d* have received their respective pensions in full.

If the persons enumerated under *a*, *b*, *c* and *d* in article 24, receive together an amount aggregating over 60 per cent of the daily earnings of the deceased, their respective shares shall be reduced proportionately.

Should more than one of the grandchildren referred to under *f* in article 24 be living, and if each grandchild can not receive its full pension, then the pension of each shall be proportionately reduced.

ART. 28. Neither the insured person nor any of his surviving heirs shall be entitled to any of the pensions, provided for in the preceding articles, if the accident was intentionally caused by the insured person himself.

Should the accident to the insured person have been caused by his drunkenness, then the temporary payments due him under article 20, as well as any pension that may be due him under article 21, shall be reduced one-half.

If any one of the surviving relatives of the deceased had, either intentionally or through drunkenness, caused the accident which resulted in death, he shall have no claim to any pension.

ART. 29. The board of directors of the Royal Insurance Bank is authorized to summon the injured beneficiary before it as often as it may deem necessary, and to give him a hearing or cause a hearing to be given him at a place designated by said management, and it may have him examined by experts appointed by itself.

If the injured person, when summoned, fails to appear, or refuses to answer questions put to him by the board, or to submit himself to an examination by the expert appointed by said board, he shall lose his rights to any compensation provided for in this law, from the day when he was supposed to appear, answer questions or submit to an examination unless he can give a reasonable ground for such refusal.



If the injured person files a complaint against the orders considered necessary for the purposes of effecting a cure by the experts appointed by the board of directors of the bank, the latter shall order a new examination by other experts.

The injured person shall have a right to propose to the board of directors an expert within a period designated by the said board of directors, who must then be assigned by it to cooperate with the other experts. Should the injured party neglect to name such expert, or should such expert named refuse to cooperate with the other experts at the examination, the board of directors may appoint another expert, if possible in agreement with the injured.

If the experts or a majority of them declare the complaints of the injured party to be unfounded, and if the latter persists in his refusal and still neglects to follow the orders to which he objects, then the board of directors of the Royal Insurance Bank is authorized, upon a hearing of the injured person, to declare that the right to a pension which the injured person or his surviving heirs would have been entitled to, according to articles 21 and 23 of this law, from the day of the decision by the experts last appointed, is either entirely forfeited or reduced by one-half, and also to discontinue the medical treatment.

Should the residence of the injured person designated in the first paragraph, be farther than  $5\frac{1}{2}$  kilometers, by the shortest practicable road, from the place to which he is summoned by the board of directors of the Royal Insurance Bank, he shall be granted traveling expenses and a compensation for the loss of time, in accordance with the schedule of rates for witnesses, referred to in article 64, under (b).

ART. 30. A person sentenced to prison by due process of law for a term of three years, or more, shall forfeit the right to the pension provided for in this law, beginning with the day of sentence and continuing until the day on which the sentence shall have expired, or he shall have been pardoned.

The Crown reserves the right, in such manner as seems best, to distribute the pension, the claim to which, as specified in the preceding paragraph, has been forfeited by the convicted person, among those persons who, by the provisions of this law, would have been entitled to such pension had the accident to the convicted person resulted in death.

The provision contained in the first paragraph of this article does not apply to the convicted person who has been released on parole for the time of such release from prison.

#### TITLE VI.

##### *Determination of the period of the insurance obligation and division into classes of risk.*

ARTICLE 31 (as amended by act of Jan. 13, 1908). The undertakings enumerated in article 10 shall be subdivided, by general rules of administration, into classes of risk in accordance with the degree of risk resulting to the insurance.

Each class of risk shall be represented by certain risk numbers, so that those establishments which by reason of the business therein carried on shall come within the same class of risk, may receive a risk number which represents the measure of such risk arising to the insurance in the various establishments in relation to one another.

The general administrative regulations mentioned in paragraph 1 shall be revised after the preparation and according to the results of each expert insurance balance.

If, after such revision, an establishment is assigned to a lower class of risk, such reassignment may be given retroactive force. The general rules of administration shall then determine from what day this new classification shall come into force.

ART. 32. The employer is obliged to file with the post-office of his place of residence a written notice in duplicate as to the nature of his business and get a receipt therefor.

If the employer has no residence in the Netherlands, the notice must be filed with the post-office in Amsterdam with a declaration of the place in the Netherlands which had been chosen as a residence.

If the employer referred to in the preceding paragraph has filed no notice, nor selected any place of residence, then the place where his business is carried on—to wit, the house of the manager of the works—shall be deemed his residence, as far as the application of this law is concerned.

ART. 33. The notice referred to in article 32 shall be filed—

(a) If the State is the employer, by the chief of that ministerial department to which the establishment subject to insurance pertains, at the post-office in The Hague.

(b) If a province is the employer, by the royal commissioner of the province at the post-office of his place of residence.

(c) If a commune is the employer, by the mayor at the local post-office.

(d) If a water, marsh land or a dike-construction company is the employer, by the chairman of the board of directors at the post-office of his place of residence.

ART. 34. The notices referred to in the two preceding articles shall be given on forms furnished gratis and filled out by the employer.

These forms, as well as the period of time within which the notices are to be filed, shall be determined by the minister of water works, commerce and industry.

The notices in duplicate shall at once be forwarded from the post-offices to the board of directors of the Royal Insurance Bank.

ART. 35. The employer and his employees are obliged to give the board of directors of the Royal Insurance Bank any desired information, in writing if necessary, as to circumstances and events pertaining to the execution of this law.

ART. 36. If the board of directors of the Royal Insurance Bank is of the opinion that a notice is incorrect, it shall so notify the employer by registered letter.

ART. 37 (as amended by acts of Jan. 13, 1908, and Feb. 13, 1909). The board of directors of the Royal Insurance Bank shall, upon having learned of an establishment subject to insurance, assign it to a class of risk and determine the risk number, regardless as to whether there was any notice or not. The employer shall receive notice thereof by registered letter, with a statement of the reasons upon which the board bases its decision and, in addition, the rates specified in article 42. If the classification relates to a business from which no notice was received, the employer shall be notified in the said letter concerning his insurance obligation together with the decision and the reasons therefor.

If several industries subject to compulsory insurance are carried on in one establishment, the board of directors of the Royal Insurance Bank shall register them either separately or by groups in separate classes of risks by assigning a coefficient of risk to each of these industries or industry groups if it becomes necessary to determine the proportion of the expense to be borne by the establishment.

If in an establishment where, in the case mentioned in the preceding paragraph, the industries carried on shall be considered as involving a lower or higher degree of risk than that expressed by the coefficient of lowest and highest risks of that class in which the establishment or the industries belong, it can be assigned to a lower or higher class.

ART. 38 (as amended by act of Jan. 13, 1908). The employer is obliged to notify the board of directors of the Royal Insurance Bank within 14 days of every change in the mode of operation which may result in the assignment of his business to a different class of risk, or the fixing of a new risk number. Within eight days from receipt of such notification, the board shall send the employer a certified receipt.

The board of directors shall change the class of an establishment or risk number whenever necessary.

The board of directors is permitted to change the classification or the (previously fixed) percentage of risk, even if the notice mentioned in the first paragraph has not been received.

Every decision with regard to a change shall be communicated to the employer by a registered letter, with a statement of the reasons therefor.

ART. 39 (as amended by act of Jan. 13, 1908). Decisions as to whether a notice is incorrect, as well as those concerning the assignment to a class of risk, or the fixing of a risk number, shall be made only by a full board of directors of the Royal Insurance Bank.

ART. 40. An employer who suspends business is obliged to file a written notice, in duplicate, to that effect, and receive a receipt at the post-office of the district where he resides.

The provisions of articles 33 and 34 shall apply to such notices.

If the board of directors of the Royal Insurance Bank, having received the notice referred to in the first paragraph, should assume that the employer nevertheless continues the business, subject to insurance, it shall render a decision to that effect and forward it to the employer by registered letter.

ART. 41 (as amended by acts of Jan. 13, 1908, and July 1, 1909). Upon the request of the board of directors of the Royal Insurance Bank the chiefs of the labor inspection districts are obliged to give it such information as they may have concerning a certain establishment in so far as it may affect the insurance obligation of the business carried on in said establishment, or the risk number which must be determined for said establishment.

## TITLE VII.

### *Raising the means to cover expenses.*

ARTICLE 42 (as amended by act of Jan. 13, 1908). The means with which to pay pensions and other compensation in accordance with this law, the costs of administration and the reimbursements of the advances referred to in article 93, shall be raised by the employers, either in proportion to a rate fixed by a general rule of administration and in proportion to the wages earned or assumed to have been earned according to article 43 by their employees during the period for which the payment is to be made, or in accordance with the provisions of articles 54 and 55.

The amount necessary to meet the payment of pensions and other compensation, the costs of administration and the reimbursements of the advances referred to in article 93, shall, in so far as the means therefor can be raised in the manner first mentioned in the preceding paragraph, be computed according to the rules of the system of insurance premiums.

In the computation of the wages referred to in the first paragraph, that portion of the wages of a given workman working for one employer which is in excess of the amount obtained by multiplying 4 florins [\$1.61] by the number of days the workman was employed by the employer during the period covered by the insurance premiums, shall not be taken into consideration.

The schedule of rates shall determine the premium on each florin [40.2 cents] of wages for every risk number.

The schedule of rates shall be revised after the preparation of each technical balance, and in accordance therewith.

If after revision the rate be reduced, such revision may be given retroactive force. A general rule of the administration shall then determine the day on which the new rate shall be considered to have come into force.

ART. 43. If an employer, during the period designated in article 42, employs a workman such as is mentioned in article 7, paragraph 3, or in article 8, it shall be assumed that the workman in question has earned from his employer within said period such an amount which would have to be assumed to determine the amount of a pension equal to his earnings, in case an accident had happened to him while at work, multiplied by the number of days during which he has worked for his employer within the said period.

ART. 44. The employer is prohibited from deducting either wholly or partially, the costs arising to him from this law, from the wages of the beneficiaries.

ART. 45 (as amended by acts of Jan. 13, 1908, and Feb. 13, 1909). Employers are obliged to prepare lists of wages and to continue them regularly.

Not longer than within seven days after a payment of wages in money has been made to a workman, it shall be entered upon the list of wages. The board of directors of the Royal Insurance Bank may give the employer written permission to make the said entry of wages within a different period than that of seven days. Such permission may be recalled at any time.

The list of wages must always be found at the place where the business subject to insurance is located, unless the board of directors of the Royal Insurance Bank, in conjunction with the employer, have agreed upon a different place, in which case the said wage list shall be found at such place.

The general administration may prescribe other methods or methods more exact for determining the wages of insured persons. Such regulations may apply to the entire country, to certain communes or parts of a commune, to certain industries or to certain groups of industries, to certain groups of establishments or to classes of employees in these industries or establishments, as well as to those establishments mentioned in the second paragraph of article 37. Exemption from the application of all of these regulations, or one or several of them, may be granted by the minister having the supervision of the execution of this law. If from all of them, the employer must have complied with all of the requirements of the preceding paragraphs. The minister may grant a like exemption from all the regulations in regard to some detail, or one or more of them. The minister may at any time withdraw such exemption.

The employer is required to produce to the competent agent of the Royal Insurance Bank the records he keeps, by virtue of the provision of this law, or of any general administrative regulation, as mentioned in the preceding paragraph.

ART. 46 (as amended by act of Feb. 13, 1909). The minister of waterworks, commerce, and industry shall determine—

(a) The day on which the premium falls due.

(b) The forms upon which the employers shall fill out their notices which serve as the basis for the computation of the premiums and compensation.

(c) The forms on which the records of wages mentioned in the preceding article as well as the form or model which the employer is required to keep according to the general administrative regulation mentioned in the preceding article in lieu of wage lists.

(d) The form and model of the documents which the employer is required to keep in virtue of any general administrative regulation mentioned in the preceding article in lieu of wage lists.

The forms mentioned under (b), (c), and (d) shall be furnished gratis.

ART. 47. Within 14 days from each day on which the premium falls due the employer shall be required to deposit, at the post-office of his place of residence, the premium which has been computed upon the total wages earned, or assumed to have been earned according to article 43, by his workmen within the period of time for which such premium is paid.

If the wages of a workman exceed an amount obtained by multiplying 4 florins [\$1.61] by the number of days he worked for his employer during the period covered by the premium, the surplus shall not be taken into consideration when computing the total wages.

A receipt in duplicate shall be given for the payment of the premium.

Not later than on the 15th day after the day on which the premium falls due the employer shall forward a copy of the receipt to the board of directors of the Royal Insurance Bank and inclose therewith the forms designated under (b) and (c) in the preceding article, and filled out by himself.

If the employer is a public body or institution, the place of residence of such institution shall be assumed to be in that commune where the notice has been or is to be filed in accordance with article 33.

ART. 47-1 (added by act of Feb. 13, 1909). In regard to those industries, groups of industries, groups of establishments, or groups of employees, either for the entire country or for certain communes or parts of a commune, for which there have been issued regulations relating to the subject of determining the wages of insured persons, it can be decreed, notwithstanding paragraph 3, article 42, and paragraph 2, article 47, by general administrative regulation, that the sum in question shall be determined by multiplying 4 florins [\$1.61] by the number of days, less Sundays and legal holidays, during the period covered by such payment.

ART. 48. Upon receipt of the documents referred to in article 47, the board of directors of the Royal Insurance Bank shall determine the rate of the premium to be paid by the employer. The amount thus ascertained shall be communicated to him by registered letter and in case it does not correspond to that of the employer, the computation should be inclosed therewith.

If the amount ascertained exceeds the premium already paid by the employer, the latter shall, within 15 days after receiving the registered letter referred to in the first paragraph of this article, deposit the difference at the post-office mentioned in article 47.

Should the amount ascertained be less than the premium already paid by the employer, the difference, together with the communication referring thereto, shall be forwarded to him without cost.

ART. 49 (as amended by act of Jan. 13, 1908). Should the board of directors of the Royal Insurance Bank decide that a business subject to insurance has already been carried on for one or more premium-payment periods in an establishment, the employer shall, within 15 days after receipt of the registered letter relating to assignment of the establishment to a class of risk and the determination of the risk number pay in one sum in the manner designated in article 47, the premiums due for the periods expired.

The determination of the premium and the settlement of any differences, if such be necessary, shall be arrived at in the manner designated in the preceding article.

Premiums overdue for more than five years shall not be collected.

ART. 50. If any premium is not paid within the prescribed period, the board of directors of the Royal Insurance Bank shall officially determine the amount in question and give notice thereof to the employer by registered letter and inclose therewith the computation relating thereto.

If an employer has incorrectly or improperly filled out the forms referred to in paragraph 4 of article 47, and if upon the investigation mentioned in paragraph 1 of article 48 it appears that he has paid less than the premium due, the board shall fix not only the amount still due for the premium periods expired, but also interest at 3 per cent per year, of which the bank would have had the benefit had the premiums been paid on time. The amounts thus ascertained, with the computation relating thereto, shall be communicated to the employer by registered letter. Within 15 days after receipt of such registered letter he shall pay these amounts to the post-office mentioned in article 47.

The provisions in the preceding paragraph shall also apply when, according to the determination referred to in paragraph 2 of article 49 and in the first paragraph of this article, it appears that the employer has paid less than the premium due.

Should a fixed premium remain partly or entirely unpaid within the definite time period, the board of directors of the Royal Insurance Bank shall request the negligent employer, by registered letter, to pay the amount due within 8 days after receipt of such letter, at the post-office of the district in which he resides. If within the required period the request for payment has not been complied with, the chairman of the board of directors of the Royal Insurance Bank shall issue an order (*mandamus*) warranting an act of execution, which shall be enforced by the president of the district court at Amsterdam.

The order (*mandamus*) shall be served and executed in the manner prescribed in the Code of Civil Procedure for judgments and public records.

The *mandamus* can be executed throughout the entire Kingdom.

The last paragraph of article 47 is applicable here.



ART. 50-1 (added by act of June 30, 1909). The service and execution of the *mandamus* mentioned in the preceding article shall be made by the officer charged with the collection of direct taxes.

After service has been made a premium shall not be receipted for except by the bureau to which the officer serving the writ belongs, or if there is a seizure thereunder, by the said officer only.

The costs of prosecutions shall be assessed in the same manner as prosecutions in cases of direct taxes. The confession of judgment (*exécution parée*) shall be applicable to the above costs.

ART. 50-2 (added by act of June 30, 1909). The payments to be made by the employers shall be charged and entered in the following order:

- a. To the payment of costs of suits should there be such.
- b. To the interest up to date should there be interest due.
- c. To premiums.

ART. 51. Every resolution with reference to a premium left unpaid by an employer shall be passed by a fully attended meeting of the board of directors of the Royal Insurance Bank.

ART. 52. Upon request, any employer whose establishment is located in this country may be permitted by the Crown either to assume personally the risk of the insurance provided for his employees by this law or to transfer the same to a joint stock company or incorporated association, under which terms are included mutual insurance associations.

The permission to assume the risk mentioned in the preceding paragraph shall only be granted after the employer has given a pledge to the Royal Insurance Bank or has executed a mortgage in its favor as a guarantee for his performance of the duties arising out of this law, except in the case where the employer is either the State, a province, or a commune of at least 20,000 inhabitants. Either one of the guarantees above mentioned shall be effected in accordance with the rules to be issued by the administration.

The transfer of the risk referred to in the first paragraph to a joint stock company or to an incorporated association shall only be permitted when and so long as the Royal Insurance Bank has received a pledge from such joint stock company or incorporated association for their performance of the duties arising out of this law, which pledge shall be effected in accordance with the rules to be issued by the administration.

Only money and Government securities can be accepted as a pledge, and only such securities as are mentioned in the list given in the last paragraph of article 92. The security provided for in the second paragraph may consist partly of a pledge and partly of a mortgage.

The interest yielded by the pledge referred to in the second and third paragraphs shall be turned over to the obligors or credited to their account. If the pledge consists of a sum of money, it shall not be preserved separately, but shall be deposited in the treasury of the Royal Insurance Bank and the interest computed at the rates provided for in article 54, subdivision 3.

ART. 53. The provision of article 37 does not apply to an establishment whose owner has been allowed to assume the risk referred to in article 52 or to transfer said risk, excepting as mentioned in article 37, with reference to the assignment of an establishment to a grade of risk in so far as such assignment, by the general rules of administration mentioned in article 59, may be necessary for the ascertainment of the share to be borne by such establishment toward the costs of administration.

The employer mentioned in the preceding paragraph shall not be required to pay premiums during the time which he assumes the risk of insurance or transfers such risk.

ART. 54. The employer who has been allowed to assume the risk mentioned in article 52 is required—

1. On or before the day fixed by the board of directors of the Royal Insurance Bank to deposit at the post-office of his place of residence the amount of his share of the costs of administration and of the reimbursement of the advances mentioned in article 93.

2. On or before the day fixed by the board of directors of the Royal Insurance Bank, to pay at the post-office of his place of residence the amount of compensation in so far as it does not consist of pensions, as well as the portions of provisional pensions already paid by the Royal Insurance Bank by reason of an accident to a workman insured at the risk of his employer.

3. As soon as a pension for an accident of the kind referred to in the preceding paragraph has been fixed otherwise than provisionally, on or before the day set by the board of directors of the Royal Insurance Bank, to pay in the manner specified in the preceding paragraph the capitalized value of the pension fixed by the board, computed at the same rate of interest as the Royal Insurance Bank had obtained on the average during the last preceding calendar year.

Until the provisions of the first article of this law have been in force an entire calendar year the rate of interest shall be 3 per cent per year.

The last paragraph of article 47 applies here.

ART. 55. A joint stock company or association to which a risk is transferred, as mentioned in article 52, is obliged—

1. On or before the day fixed by the board of directors of the Royal Insurance Bank, to deposit at a place designated by said board the amount of its share of the costs of administration and of the reimbursements of the advances mentioned in article 93. The board shall specify the amount.

2. On or before the day set by the board of directors of the Royal Insurance Bank, to deposit at a place designated by the board the amount of compensation and the settlement referred to in article 25 already paid by said board because of accidents to workmen insured at the risk of such joint stock company or association.

3. When a pension for an accident of the kind referred to in the preceding paragraph has been fixed otherwise than provisionally on or before the day set by the board of directors of the Royal Insurance Bank, to give to the bank in the manner described in the preceding paragraph a pledge as security for the performance of duties imposed upon them on account of the pension, the value of such pledge to equal the capitalized value of the pension.

The provisions of paragraphs 4 and 5 of article 52 and the provision of paragraph 3, article 54, with reference to the computation of the capitalized value of the pension, apply here.

ART. 56. An employer who, according to subdivision 3, article 54, has paid the capitalized value of a pension is not obliged, in case the workman dies as a result of an accident by reason of which a pension was granted him, to pay to his surviving relatives any compensation.

ART. 57. Should a joint stock company or association to which the risk mentioned in article 52 has been assigned neglect, in the opinion of the minister of waterworks, commerce, and industry, to perform the duties imposed upon it by this law, the authority granted to employers, in accordance with article 52, to transfer the risk referred to in the above-mentioned article to such joint stock company or association, shall expire at the moment fixed by the minister above mentioned. The minister of waterworks, commerce, and industry shall notify employers referred to above of such expiration, as well as of the time thereof.

In a case such as is mentioned in the preceding paragraph the board of directors of the Royal Insurance Bank, as soon as it is of the opinion that all pensions for which said bank is liable are finally determined and that no further expenses for medical treatment or allowances incidental to accidents will arise to the bank, shall compute the capitalized value of the pensions arising from reported accidents met with by workmen who had been insured at the risk of the joint stock company or association.

Thereupon the board of directors, in so far as it may consider it necessary, shall sell in any manner provided for in article 1201 of the Civil Code, the Government bonds deposited with the bank as a pledge, in accordance with subdivision 3 of article 55, by the joint stock company or association. In so far as the sum of money which the bank has in its possession, either by way of a pledge originally deposited or by way of the net proceeds of a sale of the bonds pledged by the joint stock company or association, does not exceed the capitalized value of the pensions referred to above plus the amount that the said joint stock company or association still owes the bank, as provided for under subdivisions 1 and 2 of article 55, such sum shall become the property of the bank. If the sum in question is in excess, the surplus shall be returned.

At the expiration of three years after the period mentioned in the first paragraph of this article the board of directors of the Royal Insurance Bank shall compute the amount that may still be due it from the joint stock company or association.

Thereupon the board of directors, in so far as it may consider it necessary, shall sell, in the manner referred to in paragraph 3 of this article, the Government bonds pledged with the bank, according to article 52, by the joint stock company or association and shall assign to the bank, out of the net proceeds of said sale, or if the pledge had been in the form of a sum of money, out of such sum, as much as may still be due from said joint stock company or association. The surplus, if any, shall be returned to the said joint stock company or association.

If a joint stock company or association to which, in accordance with article 52, a risk has been transferred, is declared by a valid judgment in a state of bankruptcy or has been dissolved, the second, third, fourth, and fifth paragraphs of this article shall apply, to the extent, however, that the clause in the fourth paragraph, instead of reading "the period mentioned in the first paragraph" shall read "from the commencement of such state of bankruptcy" and "after the dissolution of the joint stock company or association."



In case of bankruptcy, the securities to which the bank has a right of pledge shall not go to the creditors. Claims of the bank shall remain outside of the power of the creditors until the computation mentioned in the fifth paragraph takes place.

Should a joint stock company or association from which the Royal Insurance Bank has received a pledge, according to article 52, cease to carry any risks mentioned in the aforesaid article, its current transactions with the Royal Insurance Bank shall, at the request of such joint stock company or association, be brought to a close. In such a case the second, third, fourth, and fifth paragraphs of this article shall likewise apply, to the extent, however, that the clause in the fourth paragraph, instead of reading "the period mentioned in the first paragraph" shall read "the day on which the request to close business transactions was made on the Royal Insurance Bank."

ART. 58. After every taking of an expert insurance balance for the Royal Insurance Bank, if the capitalized value of a pension is less than the value of the pledge, as mentioned in article 55, which the Royal Insurance Bank may have on account of a pension, said pledge shall, at the request of the pledger, be returned to him upon receipt of a new pledge equal in value to the last-computed capitalized value.

ART. 59. The administration shall determine—

1. In what cases an application, made in accordance with article 52, shall be rejected.
2. The manner of computing the capitalized value of a pension referred to in articles 54, 55, and 58.
3. The manner of computing the value of pledges referred to in the second and third paragraphs of article 52, subdivision 2 of article 55, and in article 58.
4. In what cases the authority granted the employer by article 52 to assume the risk of insurance himself may be recalled.
5. In what manner the share of the costs of administration mentioned in articles 54 and 55 and the share of the reimbursements of the advances mentioned in article 93 are to be determined.
6. Everything further necessary for the execution of the provisions of articles 52 to 58, inclusive.

ART. 60. The claims mentioned in article 54 as well as those which the Royal Insurance Bank, in accordance with the provisions of paragraph 5 of article 57, still has against a joint stock company or association shall be paid by the State, in so far as the bank can not collect them.

## TITLE VIII.

### *As to reports and investigations of accidents.*

ARTICLE 61 (as amended by act of July 1, 1909). The employer or his representative on the scene of the accident, in whose establishment subject to insurance an insured workman has met with such accident while at work, is obliged to see to it that immediately after the accident, a physician shall be summoned to examine the injured person and render him the necessary aid.

The employer or his representative shall, within 24 hours after the medical examination, and, in any case, within 48 hours after the accident, forward upon receipt, a report of the occurrence, by filling out forms in duplicate and sending same to the post-office in whose district he resides, or, in accordance with the last paragraph of article 47, is assumed to reside, or in whose district the accident took place.

The provisions of the preceding paragraph do not apply to accidents which have taken place in the service of the transportation of passengers and freight, and to accidents happening abroad to persons insured by this law, in so far as regulations, deviating from the above, have been made by the general administration with respect to such accidents.

The form of notice shall be devised by the minister of waterworks, commerce and industry and furnished gratis.

The notice shall contain the name and residence of the physician who rendered the first aid, together with his opinion as to the probable duration of the total or partial incapacity for work of the injured person; it shall be signed by the physician and by the person making the report.

The office which has received the notice shall transmit by expedited procedure one copy to the directors of the Royal Insurance Bank and another copy to the chief of the labor inspection district in whose jurisdiction the accident occurred.

ART. 62. The employer is obliged to furnish the board of directors of the Royal Insurance Bank in writing with any information required concerning the accidents which have taken place in his establishment subject to insurance.

ART. 63. Should the board of directors of the Royal Insurance Bank gather from a notice that the insured person as a result of the accident, has died or will probably die, or that he has been or presumably will be unable to perform his customary work for more than two days in the establishment of his employer, or, from all appearances,

will be either partly or entirely incapacitated for more than six weeks, the board shall immediately cause an investigation in order to ascertain—

1. The cause and the manner of the accident;
2. The civil status of the injured person and his residence or whereabouts;
3. The wages of the injured person in the establishment subject to insurance;
4. The condition of the physical injuries caused by the accident;
5. In case of death, the names and addresses of the surviving relatives who, according to this law, may set up a claim for compensation.

The board of directors is authorized to order the above-mentioned inquiry, even though no notice has been received.

ART. 64. The board of directors of the Royal Insurance Bank may cause an investigation to be made by one of its officials regarding one or more of the points enumerated in the preceding article, said official, however, not to be of a grade lower than the Crown shall designate, and it shall have the right, in communes to which there is assigned a commissioner of the royal or the communal police, to cause the investigation to be made by him, and in communes in which there is no such official, to cause such an investigation by the chief of police.

The one conducting the investigation shall have the right to take the testimony of witnesses who can give information regarding the points to be cleared up, and is also authorized to examine experts; those summoned are obliged to appear, and without prejudice to the privilege of being excused as provided for in the third paragraph of article 66 of the Code of Criminal Procedure, shall depose what they know concerning the accident, or put at the disposal of the person conducting the investigation, their services as experts.

The one conducting the investigation shall, as far as possible, duly notify the employer and the injured employee of the time and place of the investigation referred to in article 63, subdivision 1, as well as of the taking of testimony. Both shall have the right to be present at the investigation, either in person or by representatives.

Should the employer concerned desire the presence of experts at such an investigation, he shall have the right to procure such at his own expense.

The one conducting the investigation shall draw up a record to be signed by all present, and he shall promptly forward the same to the board of directors of the Royal Insurance Bank.

By the general rules of administration shall be determined—

- (a) The manner of summoning experts and witnesses referred to in this article;
- (b) The rates of fees to be paid witnesses and experts for traveling expenses and loss of time.

#### TITLE IX.

##### *As to the determination and payment of the compensation.*

ARTICLE 65. All compensation shall be determined and awarded by the board of directors of the Royal Insurance Bank.

Every decision with reference to such compensation shall be made at a full meeting of the board of directors.

ART. 66. The compensation shall be fixed and awarded as follows:

- a. if the accident results in death, as soon as possible after the completion of the investigation of said accident, and if the injured person dies after the investigation, upon the receipt of the notice of death;
- b. if the accident results in complete or partial incapacity for work lasting for more than 6 weeks, as soon as possible after the expiration of such time;
- c. in the cases provided for in article 20, as soon as possible after the expiration of the 3 days' period fixed in said article.

ART. 67. In case and so long as a decision relating to the obligation to insure of an establishment in which an accident has taken place has not yet become valid, or so long as in the opinion of the experts appointed for the purpose by the board of directors of the Royal Insurance Bank, a condition likely to continue stationary, at least temporarily, has not entered into the case of the injured person, the board, in so far as there is otherwise ground for the granting of a pension, or if the pension can not be immediately determined, is empowered to grant a temporary pension.

The board shall notify the beneficiary in writing of the amount of the temporary pension, together with the reasons upon which the allowance is based; it shall send a copy of such notice to the employer in whose service the injured person met with the accident. If the injured person was insured at the risk of a joint stock company or association, the said copy of notice shall be forwarded to such company or association.

While the board has not yet fixed the pension, the beneficiary as well as the employer has the right to raise objections to the amount allowed. If the injured person was insured at the risk of a joint stock company or association, the latter is entitled to such right in place of the employer.

The payments made by reason of a temporary pension are not subject to recall.

ART. 68. He who by reason of this law believes he has a claim for compensation which officially was not granted him is entitled, within a year from the day of the accident, to make an application to the board of directors of the Royal Insurance Bank; if the claim is found to be justified, the compensation shall be determined and awarded.

At the expiration of the year referred to in the preceding paragraph all claims shall lapse, and the application of any claimant shall be rejected unless he can show that the injuries resulting from the accident manifested themselves or were only recognized later.

ART. 69. The statement of the award of the compensation shall be sent by registered letter to the interested party (beneficiary). This decision shall contain the reasons upon which the determination and the award of the damages are based.

If the compensation claimed is rejected, the reasons for such rejection must be communicated by registered letter.

Simultaneously with the dispatch of the letter mentioned in the first and second paragraphs, a copy of such letter shall be forwarded to each commission referred to in article 80, as well as to the employer in whose service the beneficiary met with the accident, or to the board of the joint stock company or association to which the risk, according to article 52, was transferred.

ART. 70. Should, after the determination of a pension, facts and circumstances become known which, had they been known earlier, would have influenced the said determination of the pension, or if the state of affairs which had bearing on the determination, award, or refusal of the pension undergoes a change, a revision may officially or upon application be made; the provisions for the original determination, award, or refusal are applicable to such revision.

ART. 71. The payment of the compensation shall be made at the post-office of the beneficiary.

The burial expenses, the fees for medical treatment and medicine, and the first installment of the pension shall be paid within 6 days after the award.

The installments of the pension shall be paid on Tuesday of every week, or, if the day of payment falls on Christmas or New Year's day, on the week day preceding.

ART. 72. The manner of the determination, award and payment of the pension in so far as it is not fixed by this law, shall be provided for by general rules of administration.

ART. 73. The pensions awarded by reasons of this law are, up to the amount of 260 florins [\$104.52]—

- a. inalienable,
- b. not subject to pledge or mortgage,
- c. not subject to seizure or attachment.

The power of attorney to receive the pension may be withdrawn at any time. All agreements conflicting with this are null and void.

These provisions shall be printed on the notice containing the award of the pension.

ART. 74. The arrearages of a pension which have not been claimed within a year from the first day of the order of payment, shall no longer be paid.

If the pensions have not been collected for five consecutive years, the right to such pension lapses. The beneficiaries who may reapply for such right, may be rehabilitated by the Crown in the enjoyment of such right.

Such enjoyment, in such a case, shall commence with the week following the one during which it was granted.

#### TITLE X.

##### *As to appeals.*

ARTICLE 75. Decisions against which an appeal will lie by the provisions of this law, shall be adjudicated by arbitration councils, and in the highest instance, by a senate (*een college voor het Rijk*) of the realm.

Employers and employees shall have representation in the arbitration councils.

Everything else relating to the composition of the councils referred to in the first paragraph, as well as to the manner of handling appeals, shall be regulated by a subsequent law.

ART. 76. The filing of an appeal shall have no effect of suspending the original decision.

If the complaints are considered entirely or partly justified, the decision arrived at by the arbitration council shall be substituted for the one against which the appeal was filed.

If the right to compensation already paid is ~~unavailable~~ by the arbitration council on appeal, the payments already made can not be ~~reempl.~~

ART. 77. If an employer has any objection to a decision of the board of directors of the Royal Insurance Bank, which decision is based upon articles 36, 37, 38, 40, 48, 49 and paragraphs 2 and 3 of article 50, he is entitled to file an appeal within fifteen days after such decision has been rendered.

ART. 78 (as amended by act of Jan. 13, 1908). The appeal of the employer shall be denied—

a. in case he has permitted the period referred to in the preceding article to expire without taking action;

b. in case he has knowingly made no report, or made an incorrect or incomplete one regarding any change in his business which would have caused it to be placed in a different grade of risk, or would have assigned to it a different risk number;

c. in case he has not complied with the provisions of article 47, paragraph 2 of article 48, article 49, and paragraphs 2 and 3 of article 50.

ART. 79. If an insured person or any one of his surviving relatives is of the opinion that his rights to compensation have either not been recognized, or only partly so, he shall have the right to file an appeal within one month of the receipt of the decision.

If an employer in whose service the insured person has met with an accident is of the opinion that the compensation granted to the injured person or any of his surviving relatives by reason of the accident is too large, or that it has been granted unjustly, he shall have the right to file an appeal within one month after the receipt of the notice as provided by article 69.

If the injured person was insured at the risk of a joint stock company or association, the latter shall have the right of appeal provided for in the preceding paragraph.

The provisions of the first, second and third paragraphs do not apply to a decision relating to compensation referred to in article 20.

ART. 80. Should one of the commissions referred to in article 86 be of the opinion that the rights to compensation of an insured person or one of his surviving relatives have either not been recognized, or only partly so, or that one of these persons has been granted too high a compensation, or that the compensation granted is unjust, it shall have the right, within one month of the receipt of such decision, to file an appeal with the arbitration council to be convoked by the law referred to in article 75.

This right, however, can be exercised only by such a commission as has within the district of its jurisdiction—

a. the residence of the insured person or of one of his surviving relatives;

b. the place in which the accident occurred;

c. the location of the establishment of the employer in whose employment the insured person met with the accident.

The provision in the first paragraph does not apply to a decision relating to the compensation mentioned in article 20.

ART. 81. In a decision of the question as to whether an appeal shall be entertained in accordance with article 80, only an even number of members shall participate, of whom one-half shall consist of employers, and the other half of workmen, in the sense of paragraph 2, article 3 of the Law on Chambers of Labor.

If the number of the employers present at a meeting is not equal to that of the employees, as referred to above, only so many on the more numerous side shall have a deciding vote as will equal the number on the other side, the youngest members being excluded.

In case of an equal number of votes on each side it is assumed that the commission has decided to entertain the appeal.

The decision to entertain an appeal shall be enforced by the chairman.

## TITLE XI.

### *As to the supervision.*

ARTICLE 82. The supervision of the enforcement of this law shall, upon direction of the board of directors of the Royal Insurance Bank, be assigned to its agents whose sphere of activity and authority shall be regulated by general rules of administration.

ART. 83. The agents of the Royal Insurance Bank are prohibited from engaging, directly or indirectly, in any business undertaking.

ART. 84. Employers and their employees are obliged to give the agent of the Royal Insurance Bank any information desired, in writing if necessary, pertaining to questions and facts which may have any bearing upon the enforcement of this law, and also permit an inspection of books and documents, in so far as these relate to the wages of the insured persons.

ART. 85 (as amended by act of July 1, 1909). If from the inspection of an establishment in which a business subject to insurance is carried on, an agent of the Royal Insurance Bank learns that the safety appliances ordered for the prevention of acci-



dents are wanting, he shall make a report thereof to the said bank within the shortest possible period.

The board of directors shall immediately forward a copy of said report to the chief of the labor inspection district in which the establishment is located.

ART. 86. The Crown shall appoint local commissions either for one commune by itself, or for several communes together, or for parts of several communes located within one province, or even several commissions for one commune.

Within the district for which they are appointed, these commissions, besides the duties imposed upon them by article 80, shall be intrusted with the inquiry as to whether the provisions of article 70 officially apply (in any given case); they shall also give hearings as provided for in article 29, in so far as such duty has been assigned to them by the board of directors of the Royal Insurance Bank.

Their duties, authority and method of procedure shall, with reference to anything not mentioned, be regulated by general rules of administration. The compensation of the members and the expenses of the commission shall be determined in like manner.

These commissions consist of a chairman who may not be either an employer or a workman, and of an equal number of employers and workmen in the sense spoken of in the second paragraph of article 3 of the Law on Chambers of Labor. The minister of waterworks, commerce and industry shall fix the number of members for each of these commissions. The chairman shall be appointed, removed, and discharged by the Crown; the other members shall, if the commission is to act for a single commune, be appointed, removed, and discharged by the communal council, and, if its activity embraces more than one commune, by the provincial administration.

If necessary, the Crown may allow the local commissions a secretary, whose salary will also be fixed by the Crown.

The State shall bear the burden of the compensations and expenses referred to in the 3d paragraph.

## TITLE XII.

### *As to the effect of the insurance upon the civil law.*

ARTICLE 87. The civil liability of the employer for pecuniary damages sustained by an insured workman in the course of his employment ceases under reservation of the provisions of the next paragraph and of article 38, as well as with the further reservation that the liability extends to damages done to the property of the person injured by the accident.

Should an insured person whose daily earnings exceed four florins [\$1.61] meet with an accident while at work, the liability of the employer remains; the court, however, in estimating the compensation, must take into consideration what has already been awarded to the plaintiff by reason of this law.

ART. 88. The civil liability of the employer arising out of articles 1406 and 1407 of the Civil Code is not removed, if the insured person has met with an accident and the head or director of the establishment is duly convicted for a violation of any of the provisions in titles 7, 19, 20, and 21 of book 2 of the Penal Code.

If the head or director of the establishment is convicted by default by a judge on account of any of the violations referred to in the preceding paragraph, the civil liability mentioned in articles 1406 and 1407 of the Civil Code shall not be invoked before six months of the date of such judgment by default, unless the head or director of the establishment has filed an appeal before such time.

ART. 89. The Royal Insurance Bank acquires the right to the amount which the insured person or his surviving relatives may derive from articles 1406 and 1407 of the Civil Code.

Every settlement with regard to these rights which the insured person or any of his surviving relatives makes without the intervention of the board of directors of the Royal Insurance Bank shall be null and void.

## TITLE XIII.

### *As to the liability of the State and as to the care of moneys.*

ARTICLE 90. The State shall be liable, without any reservation, for the compensation accruing by reason of this law to the person insured and his surviving relatives.

ART. 91. The Bank of the Netherlands shall be the disbursing place of the Royal Insurance Bank and shall be intrusted with the care of the property of the Royal Insurance Bank and of the securities taken by it in pledge.

The surplus accruing to the Royal Insurance Bank from the income due it and payments made shall be deposited in its favor at intervals to be determined by the ministers of waterworks, commerce and industry and of finance, respectively, with the Bank of the Netherlands.

The deficits arising out of the income and expenses to the detriment of the Royal Insurance Bank shall be repaid by its board of directors to the state treasury, by drafts drawn in favor of the minister of waterworks, commerce and industry on the Bank of the Netherlands.

ART. 92. The money at the disposal of the Royal Insurance Bank shall be invested in part—

- I. *a.* In bonds of the public debt;
- b.* in bonds issued by the provinces, communes, and dike-construction districts of the Netherlands.
- c.* in bonds guaranteed directly and without reservation as to the payment of interest and of principal by the State, the provinces, the communes, or by dike-construction districts of the Netherlands;
- d.* in bonds issued by mortgage banks or associations created in accordance with the laws of the Netherlands and operating in the Netherlands exclusively, for land, communal, or dike-construction districts.
- e.* in bonds issued by foreign mortgage banks in so far as these operate exclusively in the country where their main offices are located;
- f.* in bonds issued by companies which own or operate railroads;
- g.* in bonds guaranteed directly and without reservation by companies mentioned under subdivision *f*, as to the payment of interest and of principal;
- h.* in obligations secured by first mortgages on real estate located in the Netherlands, but only up to one-fourth of the capital invested therein, and under such conditions and guaranties as shall be determined by the general rules of administration, shall be invested therein;

II. Another part which under no circumstances may exceed one-fourth of the capital to be invested may be invested in loans under security of stocks deposited for a period of three months, or less, and accepted as such by the Bank of the Netherlands.

The list of securities for investment shall be made up in January of each year by the board of inspection and submitted to the ministers of waterworks, commerce and industry and of finance respectively, for approval. If necessary, this list may be revised in the course of the year by said board of inspection with the approval of the ministers aforesaid.

Investments and sales of bonds and stocks shall be made by the board of directors of the Royal Insurance Bank, after consultation and with the approval of a committee selected from the board of inspection by the minister of waterworks, commerce and industry.

#### TITLE XIV.

##### *As to the expenses of the Royal Insurance Bank.*

ARTICLE 93. When this law comes into effect, the State shall make to the Royal Insurance Bank a sufficient advance to defray all expenses for compensation and costs of administration, so long as the bank does not yet possess the means of defraying such expenses. This advance must be repaid within five years.

The State shall bear half of the burden of the salaries of the members of the board of directors of the Royal Insurance Bank, and of its subordinate officers.

ART. 94. The payments to be made by the State in accordance with this law, shall be charged to the budget of the ministry of waterworks, commerce and industry.

The advances repaid by the Royal Insurance Bank, shall be added to the means of defraying the government expenses.

ART. 95. The services rendered by the postal administration to the Royal Insurance Bank shall be compensated by the State.

ART. 96. Letters and other documents relating to the service of the Royal Insurance Bank, shall be carried without postage.

#### TITLE XV.

##### *As to the annual report.*

ARTICLE 97. An annual detailed report as to the condition and activities of the Royal Insurance Bank, shall be made to the Crown by the minister of waterworks, commerce and industry, which shall be communicated to the States-General, and shall be published in the "State Courier of the Netherlands" (*Nederlandsche Staatscourant*).



If in any year an actuarial balance is taken it shall be added to the annual report together with the material on which it is based.

#### TITLE XVI.

##### *Provisions for penalties.*

ARTICLE 98 (as amended by act of Feb. 13, 1909). Noncompliance or compliance not in due time with the provisions of articles 32, 35; paragraph 1 of article 38; paragraph 1 of article 40; article 45; paragraphs 1, 2, and 5 of article 61; articles 62 and 84, with a provision contained in the general administrative regulation mentioned in paragraph 4 of article 45, or with any of the deviating provisions of paragraph 1 of article 61 which are determined by the general rules of administration referred to in paragraph 3 of article 61, shall be punished with imprisonment for not more than one month, or with a fine not exceeding 100 florins [\$40.20].

If at the time of a violation, two years have not elapsed since the enforcement of a previous penalty on the convicted party for a similar violation, the new penalty may be doubled.

If the employer is a joint stock company, or mutual insurance or guarantee association, a cooperative or other association, or institution endowed with a legal personality or possessing an endowment, the criminal prosecution and the meting out of the punishments referred to in this section shall be directed against the members of the board of directors.

ART. 99 (as amended by act of Feb. 13, 1909). The incorrect filling out of any of the blank forms or models referred to in article 34, paragraph 2 of article 40, subdivisions (b), (c), and (d) of article 46, and paragraph 4 of article 61, shall be punished by an imprisonment not exceeding three months, or a fine of not more than 300 florins [\$120.60].

The second and third paragraphs of article 98 are here applicable.

ART. 100. A violation of article 44 is punishable with a fine of not more than 200 florins [\$80.40].

The third paragraph of article 98 applies here.

ART. 101. An intentionally false statement concerning an accident to a workman made either orally or in writing, in person or by one specially authorized for the purpose, to the board of directors of the Royal Insurance Bank, or to the one conducting an investigation in accordance with article 63, or to an agent of the Royal Insurance Bank, shall be punishable with imprisonment not exceeding three years.

ART. 102. He who intentionally fails to comply with the duty imposed upon him by this law, to report an accident, or attempts to withhold information from the board of directors of the Royal Insurance Bank concerning an accident met with by a workman, shall be punished by imprisonment for not more than six months.

ART. 103. He who intentionally induces a workman or one of his surviving relatives, by one of the means referred to in subdivision 2 of article 47, of the Penal Code, to refrain from availing himself of any right granted him by this law, shall be punished with imprisonment for not more than three months, or with a fine not exceeding 300 florins [\$120.60].

ART. 104. The prosecution of acts declared punishable by articles 98-103, inclusive, shall be intrusted, besides the officials referred to in article 8 of the Penal Code, to the gendarmerie, the royal and communal police, as well as to the agents of the Royal Insurance Bank mentioned in article 82.

With reference to the establishments referred to in article 24 of the law relating to dangerous establishments (law of June 2, 1875, Official Gazette [*Staatsblad*] No. 95, as amended by the law of Sept. 4, 1896, Official Gazette [*Staatsblad*] No. 152), the agents of the Royal Insurance Bank mentioned in article 82, as well as the officials and officers designated by the minister of war by virtue of paragraph 2 of article 24, *ibid.*, are exclusively to be appointed for this purpose.

The provision contained in the first paragraph of this article does not apply to workshops and factories belonging to the State, a province or a commune. The supervision of the enforcement of this law in these places shall be regulated by the general rules of administration.

The officials mentioned in the first paragraph of this article shall have access to all places where work is carried on, except to government workshops and factories and the establishments referred to in article 24 of the law relating to dangerous establishments to which, besides the officials who for other reasons have this authority, only the agents of the Royal Insurance Bank mentioned in article 82, shall have access.

The rural and forest inspectors, the gendarmerie officers who are not among the deputy officers of the state administration, and the officers of the royal and communal police below the rank of an inspector of the royal rural police and that of a police

inspector, must be supplied with a written warrant by a mayor or justice of the peace, unless they may have access on other legal grounds.

If the officers mentioned in the first paragraph of this article are refused admission, they may, if necessary, make use of an armed force.

If the places referred to in paragraph 4 above also serve as dwellings, or are accessible only through a dwelling, the officers may effect entrance into such dwelling, if opposed by the tenant, only by exhibiting a special warrant from the mayor or the justice of the peace. A record shall be made of the visit and a copy of the same shall be forwarded within 48 hours to the tenant of the dwelling which was entered.

ART. 105. The members of the board of directors of the Royal Insurance Bank and their substitutes, the members and the secretary of the board of inspection, as well as all employees of the bank, are obliged to keep all facts acquired in the course of their duties secret, in so far as this does not conflict with this or any other law.

The officers mentioned in article 104 are obliged to keep secret all facts acquired by them relating to the work carried on at places to which access is granted them by that article, in so far as this does not conflict with this or any other law.

ART. 106. Should any person intentionally violate the secrecy enjoined upon him by the preceding article, he shall be punished with imprisonment not exceeding six months or with a fine of not more than 600 florins [\$241.20]; at the same time the right to fill certain public offices may be denied him.

He who is guilty of a violation of the secrecy enjoined upon him shall be punished by imprisonment not exceeding three months or with a fine of not more than 300 florins [\$120.60].

A prosecution shall only take place upon complaint of the head or manager of an establishment.

ART. 107. The acts punishable under this law shall be regarded as crimes and misdemeanors, with the exception of those covered by articles 98, 99, and 100, which are punishable as violations.

## TITLE XVII.

### *Transitory provisions.*

ARTICLE 108. The employer who, on the day designated by the Crown for the coming into force of this law, already has his workmen insured in some insurance company against accidents occurring in the course of the employment, is entitled, on the day when the first article of this law comes into force, to assign his obligation to pay premiums arising out of the insurance contract to the Royal Insurance Bank. The workman who has already insured himself in some insurance company against the consequences of accident occurring in the course of the employment shall have the same right at the time specified.

The insurance companies are obliged to honor these assignments.

ART. 109. If a workman designated in the preceding article is, by the contract therein mentioned, not insured exclusively against accidents occurring in the course of the employment, or if the capitalized value of the payments fixed by the said contract exceeds the compensation guaranteed him by this law, he may assign the obligation to pay premiums arising out of the contract only in part. The amount of such part shall, at the request of the party to the contract, be fixed by the board of directors of the Royal Insurance Bank. If the petitioner is not satisfied with the amount fixed by the board, the decision shall be referred, at his desire, to the senate referred to in article 75.

The capitalized value mentioned in the preceding paragraph shall be computed at 3 per cent.

The second paragraph of the preceding article is here applicable.

ART. 110. After an assignment as mentioned in articles 108 and 109 has taken place, the Royal Insurance Bank acquires the rights which the insured person derived from the insurance contract for an accident sustained in the course of the employment.

Should the capitalized value of the payments to which the insured person has a claim exceed that of the compensation which the Royal Insurance Bank is obliged to pay, the substitution of rights referred to in the preceding paragraph is limited to the capitalized value of such compensation.

The second paragraph of article 109 is applicable with reference to the capitalized value mentioned in the preceding paragraph.

ART. 111. The employer shall pay no premiums from the day on which this law comes into effect until the day when the first article of this law comes into force.

ART. 112. In determining the compensation due the workman, who, during the first year of the coming into force of this law, has sustained an accident in the course

of the employment in a business not mentioned in Subdivision III, of article 7, the daily earnings of the injured person shall be assumed to be one three-hundredth of the wages earned during the year preceding the accident by similar workmen, in the same or in a similar establishment, in the same or in a neighboring commune.

#### TITLE XVIII.

##### *Final provisions.*

ARTICLE 113. All documents, memorials and orders which proceed from the provisions of articles 32, 35 up to and including 38, 40, 45 up to and including 50, 61, 62, 64 up to and including 70, 84 and 85, and from the regulations of the general administration, or from a ministerial resolution made by virtue of these articles, with the exception of the judicial orders referred to in paragraph 4 of article 50, shall be exempted from stamp duties and from the formality of registration and shall be delivered free of cost.

ART. 114. Anything necessary for the preparation of bringing this law into effect and for its enforcement, not already provided for in articles 7, 10, 15, 19, 31, 42, 52, 59, 61, 64, 72, 82, 86, 92 and 104, shall be determined by general rules of administration.

ART. 115. This law may be cited as "The Accident Law of 1901."

ART. 116. This law, with the exception of the provision contained in article 1, shall come into force at a time to be designated by the Crown.<sup>(a)</sup>

The provision contained in article 1 shall come into effect on a day to be designated by the Crown, not, however, previous to the coming into force of the law referred to in article 75.

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<sup>a</sup> A royal decree of June 1, 1901, directed that the law should come into force on October 26, 1901.

## NEW ZEALAND.

### WORKERS' COMPENSATION ACT, 1908.(\*)

SECTION 1. This act may be cited as the Workers' Compensation Act, 1908, and shall come into operation on the first day of January, nineteen hundred and nine.

SEC. 2. In this act, unless a different intention appears,—

"Compensation" means compensation under this act:

"Court of arbitration" means the court of arbitration established under the Industrial Conciliation and Arbitration Act, 1908:

"Dependant" means a total dependant or a partial dependant as hereinafter defined:

"Employer" includes any body of persons, corporate or unincorporate, and the representatives of a deceased employer:

"Factory" has the same meaning as in the Factories Act, 1908:

"Order" means any judgment, direction, declaration, or order given or made by the court in pursuance of this act:

"Partial dependants" means such of the relatives of a worker as were domiciled or resident in New Zealand at the time of the accident which caused his death and were partially dependent upon his earnings at the time of that accident:

"Prescribed" means prescribed by this act or by regulations made under the authority thereof:

"Regulations" means regulations made by the governor by order in council:

"Relative" means wife or husband, father, mother, grandfather, grandmother, stepfather, stepmother, son, daughter, illegitimate son, illegitimate daughter, grandson, granddaughter, stepson, stepdaughter, brother, sister, half-brother, half-sister; and with respect to an illegitimate worker includes his mother, and his brothers and sisters, whether legitimate or illegitimate, by the same father and mother:

"Representative" means an executor to whom probate has been granted, or an administrator, or the public trustee lawfully administering the estate of a deceased person:

"Seaman" means any worker employed as a master, officer, seaman, apprentice, or in any other capacity whatever on board a ship by the owner or charterer thereof:

"Ship" means any ship, vessel, boat, or other craft:

"The court" means the court which by virtue of the provisions of this act has jurisdiction in the matter referred to:

"Trade or business" includes trade, business, or work carried on temporarily or permanently by or on behalf of the employer to which the act would apply if such trade, business, or work were partly or wholly the regular trade, business, or work of an employer:

"Total dependants" means such of the relatives of a worker as were domiciled or resident in New Zealand at the time of the accident which caused his death and were wholly dependent upon his earnings at the time of that accident:

"Worker" means any person who has entered into or works under a contract of service or apprenticeship with an employer, whether by way of manual labour, clerical work, or otherwise, and whether remunerated by wages, salary, or otherwise; but does not include any person whose average weekly earnings, calculated in accordance with the provisions of this act, exceed five pounds [\$24.33].

#### PART I.

##### *Compensation.*

SEC. 3. (1) If in any employment to which this act applies personal injury by accident arising out of and in the course of the employment is caused to a worker, his employer shall be liable to pay compensation in accordance with the provisions of this act.

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\* Labor Laws of New Zealand, pp. 490-508. Compiled by the direction of the Minister of Labor. Wellington, 1909.

(2) This act applies only to the employment of a worker—

(a) In and for the purposes of any trade or business carried on by the employer; or

(b) In any occupation specified in the first schedule hereto, whether carried on for the purposes of the employer's trade or business or not.

(3) For the purposes of this subsection an employer may have more than one trade or business.

(4) The exercise and performance of the powers, duties, or functions of any corporation or of any local authority or other governing body of a corporation shall, for the purposes of this act, be deemed to be the trade or business of the corporation.

SEC. 4. Where the death of the worker results from the injury the amount of compensation payable shall be as follows:—

(a) If the worker leaves any total dependants, the compensation shall be a sum equal to one hundred and fifty-six times his average weekly earnings, or the sum of two hundred pounds [\$973.30], whichever of those sums is the larger, but not exceeding in any case five hundred pounds [\$2,433.25].

(b) If the worker does not leave any total dependants, but leaves any partial dependants, the compensation shall be a sum equal to three times the value of the benefits received by these dependants from the deceased worker during the twelve months immediately preceding the accident which caused his death, but not exceeding in the aggregate in any case the sum payable under the foregoing provisions.

(c) If any child is born to a worker after his death, that child shall be deemed to be a dependant of the worker in the same manner as if born in his father's lifetime.

(e) [sic] Whether the worker leaves dependants or not, there shall be payable, in addition to the compensation (if any) payable under the preceding paragraphs of this section, a sum equal to the reasonable expenses of his medical or surgical attendance, including first aid, and of his funeral, but not exceeding twenty pounds [\$97.33].

(f) In every case the amount of any weekly payments made under this act to the worker in respect of the accident which caused his death, and any lump sum paid in lieu thereof, shall be deducted from the amount of compensation payable in respect of his death.

SEC. 5. (1) Where the worker's total or partial incapacity for work results from the injury, the compensation payable shall, in default of agreement, be in the discretion of the court either a lump sum or a weekly payment during the period of his incapacity.

(2) In exercising its jurisdiction to award a lump sum the court shall take into consideration the ability of the employer to make compensation in this form.

(3) When a lump sum is awarded by way of compensation under this act instead of a weekly payment, it shall be a sum equal to the present value at five per centum compound interest of the aggregate of the weekly payments which in the opinion of the court would probably become payable to the worker during the period of his incapacity if compensation by way of a weekly payment were then awarded in lieu of a lump sum.

(4) If the incapacity lasts less than seven days, compensation shall not be payable in respect thereof.

(5) If the incapacity lasts less than fourteen days, no compensation shall be payable in respect of the first seven days.

(6) During any period of total incapacity the weekly payment shall be one-half of the worker's average weekly earnings at the time of the accident; but where the worker's ordinary rate of pay for the work at which he was employed at the time of the accident was not less than thirty shillings [\$7.30] per week, the weekly payment shall not be less than one pound [\$4.87].

(7) During any period of partial incapacity the weekly payment shall be one-half of the difference between the amount of the average weekly earnings before the accident and the average weekly amount which the worker is earning or able to earn in some suitable employment or business after the accident.

(8) Weekly payments shall in no case extend over a longer aggregate period than six years.

(9) The aggregate amount of weekly payments shall in no case exceed five hundred pounds [\$2,433.25].

(10) In fixing the amount of the weekly payment regard shall be had to any payment, allowance, or benefit which the worker may receive from the employer during the period of his incapacity.

SEC. 6. (1) For the purposes of this act the term "average weekly earnings" means the average weekly earnings received by a worker while at work during the twelve months preceding the accident if he has been so long employed by the same employer, and if not, then for any less period during which he has been in the employment of the same employer; but in calculating such average no account shall be taken of any periods during which the worker has been absent from work.



(2) Where by reason of the shortness of the time during which a worker has been in the employment of his employer, or of the casual nature of the employment, or the terms of the employment, it is impracticable at the date of the accident to compute the rate of his remuneration in accordance with the foregoing provisions of this act, his average weekly earnings shall be deemed to be the average weekly amount which during the twelve months previous to the accident was being earned by a person in the same grade employed at the same work by the same employer, or, if there is no such person so employed, then by a person in the same grade employed in the same class of employment and in the same district.

(3) Where a worker has entered into concurrent contracts of service with two or more employers under which he works at one time for one such employer and at another time for another such employer, his average weekly earnings shall be computed as if his earnings under all such contracts were earnings in the employment of the employer for whom he was working at the time of the accident.

(4) In calculating average weekly earnings no account shall be taken of any sums that are paid to a worker to cover any special expenses entailed on him by the nature of his employment.

SEC. 7. With respect to casual workers employed as stevedores, lumpers, or wharf laborers, the following special provision shall apply:—

The worker's average weekly earnings shall be deemed to be not less than a full working-week's earnings at the ordinary (but not overtime) rate of pay for the work at which he was employed at the time of the accident, notwithstanding that he may not have actually worked or the employment may not have actually continued for the full week, and the compensation shall be computed and assessed accordingly; but in no case shall the weekly payment be less than one pound [\$4.87].

SEC. 8. (1) Notwithstanding anything hereinbefore contained as to the rate of compensation, compensation for the injuries mentioned in the first column of the second schedule to this act shall be assessed in the manner indicated in the second column of that schedule.

(2) Nothing in the said schedule shall limit the amount of compensation recoverable for any such injury during any period of total incapacity due to illness resulting from that injury, but any sum so received shall be taken into account in estimating the compensation payable in accordance with the said schedule.

SEC. 9. (1) When a worker is at the time of the accident under the age of twenty-one years, and his incapacity, whether total or partial, is permanent, his average weekly earnings shall be deemed to be not less than two pounds [\$9.73] per week, and the reduction of his earning power shall be deemed to be not less than the difference between that sum and the weekly sum which he will probably be able to earn after attaining the age of twenty-one years.

(2) Nothing in this section shall extend to the compensation payable on the death of a worker.

SEC. 10. (1) If in any employment to which this act applies a worker contracts any disease to which this section applies, and the disease is due to the nature of the said employment, within the twelve months previous to the date of the disablement, and the incapacity or death of the worker results from that disease, compensation shall be payable as if the disease was a personal injury by accident arising out of and in the course of that employment, and all the provisions of this act shall apply accordingly, subject, however, to the provisions of this section.

(2) No compensation shall be payable under this section in respect of the incapacity or death of a worker if that incapacity commences or that death happens, as the case may be, more than twelve months after the worker has ceased to be employed by the employer from whom the compensation is claimed in any employment to which this act applies and to the nature of which the disease is due:

Provided that this subsection shall not apply to the death of a worker when his death has been preceded, whether immediately or not, by any period of incapacity in respect of which the employer is liable under this section.

(3) For the purpose of calculating the average weekly earnings of the worker in a claim for compensation under this section, the commencement of the incapacity of the worker (or the date of his death if there has been no previous period of incapacity) shall be treated as the date of the happening of the accident, if he is then employed by the employer from whom the compensation is claimed in any employment to which this act applies and to the nature of which the disease is due; and if he is not then so employed, the last day on which he was so employed shall for this purpose be treated as the date of the happening of the accident.

(4) For all the other purposes of this act the commencement of the incapacity of the worker, or the date of his death if there has been no previous period of incapacity, shall be treated as the date of the happening of the accident.



(5) If the disease has been contracted by a gradual process, so that two or more employers are severally liable to pay compensation in respect thereof under this section, the aggregate amount of compensation recoverable shall not exceed the amount that would have been recoverable if those employers had been a single employer, and in any such case those employers shall, in default of agreement, be entitled as between themselves to such rights of contribution as the court of arbitration thinks just, having regard to the circumstances of the case, in any action brought or application made by any of them for this purpose.

(6) The diseases to which this section applies are anthrax, lead poisoning, mercury poisoning, phosphorus poisoning, arsenic poisoning, pneumoconiosis (as affecting miners only), and any other diseases which are declared by the governor, by order in council gazetted, to be diseases within the operation of this act.

(7) Nothing in this section shall affect the right of any person to recover compensation in respect of a disease to which this section does not apply, if the disease is a personal injury by accident within the meaning of this act.

SEC. 11. (1) This act applies to all accidents happening in New Zealand, but does not apply to accidents happening elsewhere than in New Zealand, except in the cases hereinafter in this section mentioned.

(2) This act applies to accidents happening on board a New Zealand ship, as defined in this section, to any worker in an employment to which this act applies, wherever that ship may be at the time of the accident.

(3) This act applies to accidents which happen to a seaman employed on a New Zealand ship, as defined in this section, in any employment to which this act applies, whether the accident happens in New Zealand or elsewhere, or on board the said ship or elsewhere.

(4) In this act the term "New Zealand ship" means—

(a) Any ship which is registered in New Zealand under the Shipping and Seamen Act, 1908:

(b) Any ship which is owned by a body corporate established by the laws of New Zealand, or having its principal office or place of business in New Zealand, or any ship which is in the possession of any such body corporate by virtue of a charter:

(c) Any ship which is owned by any person or body corporate whose chief office or place of business in respect of the management of that ship is in New Zealand, or any ship which is in the possession of any such person or body corporate by virtue of a charter:

(d) Any ship which is owned by the Crown in respect of the Government of New Zealand or which is in the possession of the Crown in that respect by virtue of a charter.

(5) For the purposes of this act an accident shall be deemed to happen in New Zealand if it happens in any harbour thereof within the meaning of the Shipping and Seamen Act, 1908, or within the marginal or other waters of New Zealand, and shall be deemed to happen out of New Zealand if it happens elsewhere.

(6) Any sum payable by way of compensation under this act by the owner of a ship shall be paid in full, notwithstanding anything contained in section two hundred and ninety-five of the Shipping and Seamen Act, 1908.

SEC. 12. (1) Save as otherwise expressly provided, this act shall bind the Crown in respect of the Government of New Zealand in the same manner as if the exercise by or on behalf of the Crown of any powers or functions in respect of the Government of New Zealand were the trade or business of the Crown within the meaning of this act.

(2) This act does not apply to accidents happening to persons in the naval or military service of the Crown and arising out of their employment in that service, or to accidents happening to persons in the service of the Crown otherwise than in respect of the Government of New Zealand and arising out of their employment in that service.

(3) All proceedings against the Crown for or in respect of compensation under this act shall be taken in accordance with the procedure set forth in the Crown Suits Act, 1908, with any modifications of that procedure rendered necessary by the provisions of this act or prescribed by regulations made under this act.

(4) Notwithstanding anything in the Crown Suits Act, 1908, all such proceedings shall be taken in the same court as if the compensation were payable by a private person.

(5) Any sum payable by the Crown by way of compensation under this act may be paid by the authority of any minister of the Crown, and without further appropriation than this act, out of moneys available for the contingent expenses of the department in respect of which the claim arises; and, save as aforesaid, no such sum shall be payable except out of moneys appropriated by Parliament for that purpose.

SEC. 13. (1) In any case where any person (hereinafter referred to as the principal) contracts with any other person (hereinafter referred to as the contractor) for the execution of any work by or under the contractor, and the contractor employs any

worker therein, both the principal and the contractor shall, for the purposes of this act, be deemed to be employers of the worker so employed, and shall be jointly and severally liable to pay any compensation which the contractor if he were the sole employer would be liable to pay under this act.

(2) The principal shall be entitled to be indemnified by the contractor against the principal's liability under this section.

(3) The principal shall not be liable under this section except in cases where the accident happens on, in, or about some land, building, ship, or premises of which the principal has the occupation, possession, or control, or of which some other person is in occupation as the tenant or subtenant of the principal, or on or in which the principal has contract to do the work in connection with which the accident happens.

(4) The principal shall not be liable under this section unless one of the following conditions is fulfilled:

(a) The work in which the worker is employed at the time of the accident is directly a part of or a process in the trade or business of the principal; or

(b) The work in which the worker is employed at the time of the accident is one of the occupations mentioned in the first schedule hereto, and the contract entered into by the principal is such as to involve a payment by him of not less than twenty pounds [\$97.33] for the due and complete performance thereof.

(5) The Crown or a local authority having the control of any road or street shall not by reason of that control be liable under this section to pay compensation in respect of any accident arising out of the use of that road or street by any person for the purposes of a highway.

(6) When the principal and the contractor are jointly and severally liable under this section, judgment recovered against one of them shall not be any bar to an action against the other, except to the extent to which that judgment has been actually satisfied.

(7) When compensation is claimed from or proceedings are taken against the principal, then in the application of this act references to the principal shall be substituted for references to the employer, except that the amount of compensation shall be calculated with reference to the earnings of the worker under the employer by whom he is immediately employed.

(8) In the case of subcontracts the expression "principal" shall include not only the original principal, but also each contractor who constitutes himself a principal with respect to a subcontractor by contracting with him for the execution by him of the whole or any part of the work; and the expression "contractor" shall include not only the original contractor, but also each subcontractor; and each principal's right of indemnity shall include a right against every contractor liable under this section and standing between him and the contractor by whom the worker was employed.

(9) For the purposes of paragraph (a) of this section the expression "trade or business of the principal" shall, when the principal is the Crown or a local authority or body corporate, be read in its ordinary and natural sense, and not in the extended sense indicated in section three and section twelve of this act.

SEC. 14. In assessing compensation, whether under this act or independently hereof, there shall be no abatement of the amount for which the employer or his insurer is liable by reason of the fact that, in consequence of the accident in respect of which the claim has arisen, money has accrued due to the claimant in respect of any life or accident insurance policy effected by himself or by any person other than the employer.

SEC. 15. No compensation shall be payable in respect of any accident which is attributable to the serious and wilful misconduct of the worker injured or killed.

SEC. 16. No compensation shall be payable in respect of the death or incapacity of a worker if his death is caused, or if and so far as his incapacity is caused, continued, or aggravated, by an unreasonable refusal to submit to medical treatment, or to any surgical treatment the risk of which is, in the opinion of the court, inconsiderable in view of the seriousness of the injury or disease.

SEC. 17. (1) No compensation shall be payable in respect of the incapacity or death of a worker which is due to disease or personal injury if the worker has at any time in writing signed by him represented to the employer in respect of whose employment the claim to compensation is made that the worker was not suffering or had not previously suffered from the said disease or injury, and if the said representation was false to the knowledge of the worker.

(2) Notwithstanding anything to the contrary in this act, if any worker suffers from or has previously suffered from any disease or personal injury, it shall be lawful for him (whether he is or is not above the age of twenty-one years) to agree in writing with any employer or intended employer that no compensation shall be payable by that employer in respect of the incapacity or death of the worker if his incapacity or death is due to the said disease or injury or to any recurrence or repetition thereof.

(3) No such agreement shall be binding until and unless it has been approved in writing by a magistrate. The magistrate shall, before granting his approval, take such steps as he considers reasonable to ascertain whether the worker suffers or has suffered from the said disease or injury, and whether the agreement is for the benefit of the worker. The approval of the magistrate shall, in the absence of fraud on the part of the employer or intended employer, be conclusive as to the validity of any such agreement.

(4) Every such agreement shall remain in force and shall operate with respect to any employment or employments then or at any time afterwards existing between the parties until the agreement is cancelled by the employer by writing signed by him or by some person duly authorised on his behalf.

SEC. 18. (1) Save as otherwise expressly provided in this act, no agreement between an employer and a worker, whether made before or after the coming into operation of this act, shall be effective so as to exempt the employer in whole or in part from any liability to pay compensation for any injury to be suffered by the worker.

(2) Notwithstanding anything in this section contained, an agreement may be made between an employer and a worker, or between an employer and any representative or dependant of a deceased worker, or between any such dependants themselves, after the happening of an injury to the worker, for the settlement of any claim to compensation or of any question arising with respect to compensation.

(3) Any such agreement as is mentioned in the last preceding subsection shall be binding on the parties thereto, and any such agreement entered into by the representative of a deceased worker shall be binding on the dependants of that worker.

(4) Any such agreement as is mentioned in subsection two of this section may be made by and shall be binding on a person under the age of twenty-one years, if it is made in writing and approved by a magistrate; and, unless the magistrate otherwise orders, any money payable to such person under any such agreement may be paid to him, and his receipt thereof shall be a sufficient discharge.

(5) Nothing in this section shall be so construed as to confer upon the representative of a deceased worker any power to determine the shares in which compensation is to be apportioned between the dependants of that worker.

## PART II.

### *Procedure.*

SEC. 19. (1) All proceedings for the recovery of compensation, or for the determination of any question as to the distribution of such compensation among dependants, or for obtaining any order which by this act a court is authorized to make with respect to compensation, shall be taken in the court of arbitration, and not elsewhere.

(2) Any agreement as to the payment of compensation or otherwise relating to compensation may be enforced in the court of arbitration.

(3) Any right of indemnity conferred by this act shall be enforceable in the supreme court or some other court of competent jurisdiction, and not (save with the consent of the parties) in the court of arbitration.

SEC. 20. (1) Subject to the provisions of this act, the procedure in any proceedings taken in the court of arbitration by virtue of this act, and the mode of enforcement of any order made by the said court by virtue of this act, and the fees payable in respect of any such proceedings, shall be determined by regulations made under the authority of this act; and in default of any such regulations, or so far as they do not extend, the procedure shall be the same as that of the said court in the exercise of the powers vested in it by the Industrial Conciliation and Arbitration Act, 1908, subject only to such modifications and additions as in the opinion of the court shall be necessary.

(2) No appeal shall lie to any other court from any order made by the court of arbitration under this act, nor shall any such order be removed by certiorari or otherwise into any other court to be there quashed or varied on any ground other than want of or excess of jurisdiction.

(3) Every action in the court of arbitration under this act shall be commenced by writ of summons in the prescribed manner.

SEC. 21. (1) In the case of an accident causing the death of a worker, proceedings for the recovery of compensation shall be taken by the representative of the deceased worker on behalf of the dependants.

(2) If there is no such representative, or if no such proceedings are taken by him within three months after the death of the worker, the proceedings may be taken by the dependants of the worker, or by any one or more of them on behalf of all of them.

SEC. 22. (1) Any money payable under this act by way of compensation in respect of the expenses of the medical or surgical attendance or funeral of a deceased worker

may be recovered by action in the magistrate's court in accordance with this act at the suit of the representative or of any dependant of that worker, or at the suit of any person by whom the said expenses or any of them have been incurred, or at the suit of any person entitled to receive any payment in respect of the said attendance or funeral.

(2) All moneys so recovered shall, in default of agreement between the parties interested, be subject to the order of the court, and shall be disposed of in such manner and in such shares as the court orders for the benefit of all or any of the persons who are so entitled to sue for the same.

SEC. 23. In any proceedings under this act the court of arbitration may order any other parties to be joined as plaintiffs or defendants whose joinder is, in the opinion of the court, necessary or advisable for doing complete justice in the matter of the proceedings.

SEC. 24. (1) An action for the recovery of compensation shall not be maintainable by a worker unless notice of the accident has been given as soon as practicable after the happening thereof.

(2) The want of or any defect or inaccuracy in any such notice shall not be a bar to the action if the court is of opinion that the employer has not been prejudiced in his defence or otherwise by the want, defect, or inaccuracy, or that the want, defect, or inaccuracy was occasioned by mistake, or by absence from New Zealand, or by any other reasonable cause.

(3) Notice of an accident shall be in writing, and shall give the name and address of the person injured, and shall state in ordinary language the cause of the injury and the date and place at which the accident happened, and shall be served on the employer, or, if there is more than one employer, upon one of them.

(4.) The notice may be served by delivering it at or sending it by post in a registered letter addressed to the residence or any office or place of business of the person or corporation on whom it is to be served.

(5) The notice if served by registered post shall be deemed to have been served at the time when it would have been delivered in the ordinary course of post, and in proving the service it shall be sufficient to prove that the notice was properly addressed and posted.

(6) When the worker is employed by or on behalf of the Crown the notice shall be served on the solicitor-general at Wellington.

(7) In the case of an accident happening, whether in New Zealand or elsewhere, to a seaman in the course of his employment as such, the notice required by this section may be served on the master of the ship on which he is employed, unless he is himself the master thereof.

(8) Nothing in this section shall apply to the recovery of compensation for the death of a worker.

SEC. 25. (1) Save as provided in this section, no action for the recovery of compensation shall be commenced except within six months after the date of the accident causing the injury, or, in case of death, except within six months after the date of the death.

(2) If any payment of compensation or damages has been made by or on behalf of the employer in respect of the injury or death, an action for compensation may be commenced against the employer at any time within six months after that payment or after the last of any such payments, if more than one.

(3) If any admission of liability to pay damages or compensation in respect of the injury or death of a worker has been signed by the employer or by any person duly authorised on his behalf, an action for compensation may be commenced against that employer at any time within six months after the date of the signing of that admission, or after the date of the signing of the last of any such admissions, if more than one.

(4) A failure to commence the action within the time hereby limited shall be no bar to the action if, in the opinion of the court, the failure was occasioned by mistake, or by absence from New Zealand, or by any other reasonable cause.

SEC. 26. (1) In the case of any injury suffered by a worker which does not presently cause incapacity, but may cause it in the future, he may, within the time limited in this act for commencing an action for compensation, bring an action against his employer, or against any other person who would be liable to pay compensation in respect of that future incapacity, for a declaration of liability under this act; and the court may in that action make a declaration of such liability, which shall have the effect of a judgment for compensation to be afterwards assessed, and within six months thereafter the worker may in that action apply to the court to have compensation assessed in pursuance of the declaration on proof that incapacity has resulted from the injury, and the compensation so assessed shall be payable accordingly as under a judgment of the court.



(2) All the provisions of this act with respect to an action for the recovery of compensation shall, so far as applicable, extend and apply to an action for a declaration of liability.

(3) In any action for the recovery of compensation, if it is proved that an accident has happened for which the defendant would be liable to pay compensation if incapacity had resulted therefrom, but it is not proved that any incapacity has so resulted, the court may, if it thinks fit, instead of dismissing the action, make a declaration of liability under this act, and any such declaration shall have the same effect as a like declaration made under the foregoing provisions of this section.

SEC. 27. (1) Any order or agreement for a weekly payment of compensation may at any time and from time to time, in an action brought or application made for that purpose, be reviewed by the court of arbitration; and on any such review the payments may be ended, suspended, diminished, or increased, or may be revived after any period of suspension, or may be commuted for a lump sum, or the order or agreement may be otherwise varied, but so that the compensation so awarded is in conformity with the provisions of this act.

(2) Every such action or application for a review may be brought or made by or against the worker entitled to the compensation, and against or by the employer or by any other person liable to pay that compensation, or to indemnify any other person against it, whether by way of insurance or otherwise.

(3) On any such review the order ending, suspending, diminishing, increasing, or reviving the payments may be made retrospective to such extent and in such manner as the court thinks fit.

SEC. 28. (1) Where the court of arbitration is satisfied—

(a) That any order made by it under this act has been obtained by fraud or other improper means; or

(b) That any person has been erroneously included or erroneously not included in any order as a dependant of a deceased worker, the court may set aside or vary the order, and may make such order (including an order as to any sum already paid under the order) as under the circumstances the court thinks fit.

(2) An application under this section to set aside or vary an order shall not be made after the expiration of six months from the date of the order, except by leave of the judge of the court of arbitration.

SEC. 29. (1) Any sum payable by way of compensation to or on behalf of the dependants of a worker shall, in default of any agreement between the dependants, be allotted among them in such proportions as the court determines.

(2) When there are both total and partial dependants the compensation may be allotted partly to the total and partly to the partial dependants, as the court thinks fit.

(3) In any case the compensation may be allotted wholly to one or more of the dependants to the exclusion of the others, as to the court seems fit.

SEC. 30. In any action for the recovery of compensation payable to or on behalf of dependants in the case of the death of a worker the court may order that the amount of that compensation shall be paid into court; and any sum so paid into court shall be invested, applied, or otherwise dealt with by the court in such manner as the court in its discretion thinks fit for the benefit of the said dependants or any of them.

SEC. 31. Any sum directed in pursuance of this act to be invested shall be paid to the public trustee, who shall deal with all such moneys and the income thereof in accordance with the regulations and the orders of the court.

SEC. 32. In any order for weekly payments of compensation the court may give such directions as it thinks fit as to the times, intervals, and manner at or in which those payments are to be made, and as to the payment in a lump sum or otherwise, as the court thinks fit, of all arrears of weekly payments in respect of any period of incapacity prior to the making of the order.

SEC. 33. Where money has been paid into court by way of compensation on the death of a worker, and it subsequently appears to the court, on application made by or on behalf of any dependant, that on account of neglect of children on the part of a widow, or on account of a variation in the circumstances of the various dependants, or for any other sufficient reason, any order of the court as to the apportionment amongst the several dependants of any sum paid as compensation, or as to the manner in which any sum allotted to any such dependant is to be invested, applied, or otherwise dealt with, ought to be varied, the court may make such order for the variation of the former order as in the circumstances of the case the court thinks just.

SEC. 34. (1) Where any money is payable under this act to a person under the age of twenty-one years, or of unsound mind, or under any other legal disability, the court may order either that the money shall be paid to that person himself or to any other person on his behalf, or that it shall be paid into court to be dealt with for the benefit of the person entitled thereto in such manner as to the court seems fit.

(2) Unless and until the court otherwise orders, any weekly payment to which a person under the age of twenty-one years is entitled by virtue of this act may be paid to him, and his receipt thereof shall be a sufficient discharge therefor.

SEC. 35. (1) Subject to and until there is any order of the court to the contrary, any money payable by way of compensation under this act in respect of the death of a worker may be paid to the representative of the said worker, and his receipt thereof shall be a sufficient discharge.

(2) Compensation payable in respect of medical, surgical, or funeral expenses may be paid to any person entitled to take proceedings for the recovery of such compensation, and his receipt thereof shall be a sufficient discharge.

(3) When compensation has been so received by the representative of a worker on behalf of the dependants, he shall, in default of any agreement between the dependants as to the distribution or application thereof, hold the same subject to any order which the court may make in the matter under the provisions of section twenty-nine of this act or otherwise.

(4) Application to the court for any such order may be made by the representative of the worker, or by any dependant, or by any person on behalf of a dependant.

SEC. 36. Subject to any regulations made in that behalf, the costs of any action or other proceeding in the court of arbitration under this act shall be in the discretion of the court.

SEC. 37. The solicitor of a person claiming compensation shall not be entitled to recover from him any costs in respect of any action or other judicial proceedings under this act, or to claim a lien in respect of such costs on any sum payable as compensation under any order or agreement, or to deduct such costs from any sum so payable, except to the extent to which such costs have been allowed as between the solicitor and his client by the judge of the court of arbitration on the application either of the solicitor or of the client.

SEC. 38. If in any action or proceeding for the recovery of compensation the court is of opinion that there has been unreasonable delay in the payment of that compensation, the court may, if in its discretion it thinks fit, increase the compensation payable under this act by adding thereto interest calculated as from the commencement of the incapacity or from the death of the worker, as the case may be, up to the date of the assessment of compensation, at any rate not exceeding six per centum per annum on the total amount of compensation in the case of a lump sum, and on the aggregate amount of weekly payments up to the date of the said assessment in the case of weekly payments.

SEC. 39. In any action for compensation brought by any person resident out of New Zealand the court may, if it thinks fit, order the plaintiff to give security for the costs of the action, and may stay the action until security is so given.

SEC. 40. Whenever, in accordance with this act, any sum is to be or may be deducted from any weekly payment or other money receivable by way of compensation, the deduction shall, in default of agreement, be made in such manner and at such time or times and by such instalments (if any) as the court thinks fit to direct.

### PART III.

#### *Miscellaneous provisions.*

SEC. 41. (1) When injury is caused to a worker by accident arising out of and in the course of his employment in or about any mine, building, factory, or ship, the amount of compensation or damages for which the employer is liable in respect of that injury, whether under this act or independently of this act, shall be an equitable charge upon the employer's estate or interest in that mine, building, factory, or ship, and in the plant, machinery, and appliances in or about the same, and in the land on which the mine, building, or factory is situated.

(2) This charge shall take effect from the date of the accident causing the injury, notwithstanding that the amount of the employer's liability may not yet have been determined.

(3) As between themselves all such charges shall have priority according to the dates of the accidents out of which they arise, and in the case of accidents happening on the same day to two or more workers the charges arising therefrom shall rank equally with each other, and shall be deemed to arise at the time when the first of those accidents happens.

(4) Subject to the provisions of the last preceding subsection, every such charge shall have priority over all existing or subsequent mortgages, charges, or incumbrances, howsoever created, other than mortgages, charges, or incumbrances existing at the time of the coming into operation of this act, but shall have priority over these



last mentioned mortgages, charges, and incumbrances only so far as a charge possessing such priority would have been created by the Workers' Compensation for Accidents Act, 1908, had it remained in force.

(5) For the purpose of enforcing any such charge after the amount of the employer's liability has been determined in due course of law, whether by action, agreement, or otherwise, the supreme court or a judge thereof may, on summons, make such order as he or it thinks fit, either for the sale of the estate or interest which is subject to the charge, or for the appointment of a receiver, or otherwise; and any order for sale shall be carried into effect by the sheriff in the same manner as in the case of a writ of sale, with any modifications that may be necessary or may be provided by rules of court in that behalf.

SEC. 42. (1) When any employer has entered into a contract with any insurer for an indemnity in respect of any liability to pay compensation or damages to any worker, or to the representative or dependants of any worker, in respect of any accident, then in the event of the employer dying insolvent, or becoming bankrupt, or making a composition or arrangement with his creditors, or, if the employer is a body corporate, in the event of that body corporate having commenced to be wound up, the amount of that liability, whether already determined or not, shall be a charge upon all insurance moneys which are or may become payable in respect of that liability, or which would be or become payable in respect thereof had no such insolvency, bankruptcy, composition, arrangement, or winding-up taken place.

(2) The said charge shall have priority over all other charges or claims affecting the said insurance moneys, and where the same insurance moneys are subject to two or more charges by virtue of this act those charges shall have priority between themselves in the order of the dates of the accidents out of which the liability arose, and if two or more accidents happen to different workers on the same day the charges arising out of these accidents shall rank equally between themselves.

(3) Such a charge shall be enforceable by way of an action against the insurer by the worker or the representative or dependants of the worker in the same manner and in the same court as if the action was against the employer for compensation under this act or for damages, as the case may be; and in respect of any such action, and of the judgment given therein, the parties shall to the extent of the charge have the same rights and liabilities, and the court shall have the same power, as if the action was against the employer.

(4) Such an action may be brought although judgment has been already recovered against the employer for compensation or damages in respect of the same matter.

(5) This section does not apply when a body corporate is wound up voluntarily merely for the purposes of reconstruction or amalgamation with another body corporate.

(6) Any payment made by an insurer under the contract of insurance without actual notice of the existence of any such charge [sic] shall to the extent of that payment be a valid discharge to the insurer, notwithstanding anything in this section contained.

(7) No insurer shall be liable under this section for any sum beyond the limits fixed by the contract of insurance as between himself and the employer.

SEC. 43. (1) Save as otherwise expressly provided by this act, nothing in this act shall affect any civil liability of an employer or any other person which exists independently of this act.

(2) Any sum received by a worker, or by or on behalf of any dependant of a worker, from any person by way of damages in respect of an accident shall be deducted from the sum recoverable by that worker, or by or on behalf of his dependants, by way of compensation in respect of the same accident.

(3) Any sum received by a worker, or by or on behalf of any dependant of a worker, by way of compensation in respect of any accident shall be deducted from the sum recoverable by that worker, or by or on behalf of his dependants, from any person by way of damages in respect of the same accident.

(4) When judgment has been recovered by or on behalf of any person for compensation that person shall not be entitled thereafter to recover damages from any person in respect of the same accident.

(5) When judgment has been recovered against any person for damages independently of this act in respect of an accident, no person by or on whose behalf that judgment has been recovered shall be entitled thereafter to recover compensation from any person in respect of the same accident.

SEC. 44. Where the injury for which compensation is payable was caused under circumstances creating a legal liability in some person other than the employer to pay damages in respect thereof, the person by whom the compensation is paid or payable,

whether directly or by way of an indemnity, shall be entitled to be indemnified by the person so liable to pay damages to the extent of his liability to pay the same.

SEC. 45. When any claim against an employer for compensation under this act, or for damages independently of this act, has been settled by agreement, no person bound by that agreement shall be entitled to recover from the employer in respect of the same accident any sum, whether by way of damages or of compensation, other than the amount so agreed upon.

SEC. 46. (1) If within the time limited by this act for commencing an action for the recovery of compensation an action is brought in the supreme court to recover damages independently of this act in respect of an accident, and it is determined in the action that the accident is one for which the defendant is not liable independently of this act, the action shall be dismissed; but the judge before whom the action is tried shall, on the application of the plaintiff made at the time of the dismissal or as soon thereafter as practicable, proceed to determine whether the defendant is liable to pay compensation under this act, and if he is found to be so liable, the judge shall thereupon assess the compensation as if in an action for the recovery thereof, but he shall deduct from the amount of compensation the costs which in his opinion have been caused by the plaintiff suing for damages instead of for compensation.

(2) For the purposes of any such determination of the defendant's liability under this act, and the assessment of compensation, the judge may hear such further evidence (if any) as he thinks fit, as if the hearing of the application were the trial of an action in the said court, or may act upon the evidence already given in the trial of the action.

(3) The judge shall thereupon give under the seal of the supreme court a certificate of the amount of compensation so assessed by him, subject to such deduction as aforesaid, and shall cause the certificate to be delivered to the court of arbitration to be filed in that court.

(4) In any such certificate the judge may make any order as to the payment, distribution, receipt, application, investment, or other disposition of the compensation so assessed which might be made by the court of arbitration in an action for the recovery of that compensation.

(5) The certificate when so filed in the court of arbitration shall be deemed to be and shall have the effect of a judgment of that court in an action for compensation, and the court of arbitration shall in respect of that certificate and judgment have the same powers as are in this act conferred upon that court in respect of judgments given thereby.

(6) No appeal or application for a new trial shall lie or be made in respect of any such assessment of compensation by a judge of the supreme court, or in respect of any order so made by him as to the compensation so assessed.

(7) If any appeal or application for a new trial is brought or made by the plaintiff in respect of the dismissal of the action in which any such assessment of compensation is made, and the appeal is allowed or the application granted, the assessment of compensation shall thereupon cease to have any force or effect, as if it had not been made.

(8) During the pendency of any such appeal or application for a new trial, any judge of the supreme court may, if he thinks fit, make an order staying all proceedings on the said assessment and certificate.

(9) If in any such action as is mentioned in subsection one of this section judgment for damages is given for the plaintiff, and the judgment is reversed on appeal, the court of appeals may, if it thinks fit, remit the case to the judge before whom the action was tried, or to any other judge of the supreme court, to determine the liability of the defendant to pay compensation under this act, and the said judge shall thereupon have the same powers in that behalf as are hereinbefore in this section set forth.

(10) Save as in this section provided, when an action has been brought in any court against an employer to recover damages for an accident independently of this act, and it has been decided in that action that the employer is not so liable, he shall not be liable to pay in respect of the same accident compensation under this act either to the plaintiff in that action or to any other person on whose behalf the said action was brought.

SEC. 47. (1) When there is any actual or contingent claim for compensation under this act against any person or corporation, and that person is adjudicated bankrupt, or files a petition to be so adjudicated, or that corporation commences to be wound up, as the case may be, after the happening of the accident out of which the claim arises, the said claim shall be provable in the bankruptcy or winding-up.

(2) No such bankruptcy or winding-up shall preclude or affect the commencement or continuance of any action or proceeding in the court of arbitration or elsewhere for the determination of the validity or amount of the said claim, or for the determination of any other question relating thereto.

(3) If weekly payments are payable by way of compensation under any agreement or any order of the court, the claim to be proved shall be for such lump sum in lieu thereof as is agreed upon between the official assignee or the liquidator and the person entitled to recover the compensation, or as is assessed either by the court of arbitration or by any court having jurisdiction in the bankruptcy or winding-up.

SEC. 48. No claim to compensation in respect of the death of a worker shall be barred by any judgment obtained by the worker himself in his lifetime in respect of the injury which caused his death, whether that judgment was obtained under this act or independently of this act, or by any settlement or accord and satisfaction made by the worker in his lifetime in respect of his claim to damages or compensation for that injury; but the claim for compensation in respect of his death shall be reduced by the amount of all moneys paid or payable by way of damages or compensation under any such judgment, settlement, or accord and satisfaction, or otherwise received by the worker from his employer in respect of his injury:

Provided that every such claim shall be made within six months after the death of the worker or the last date of admission of liability by the employer.

SEC. 49. A cause of action for the recovery of compensation shall survive notwithstanding the death of the employer or other person liable to pay the compensation, and all proceedings under this act may be begun or continued against the representative of the deceased employer or other person.

SEC. 50. (1) The right of a dependant who survives a worker to receive compensation for the death of that worker shall survive the dependant, and may be enforced by or on behalf of the representative of the dependant in the same manner in which it might have been enforced by or on behalf of the dependant had he been alive.

(2) All moneys so recovered by the representative of a deceased dependant shall form part of the estate of that dependant, but shall not be available as assets for the payment of his debts or liabilities.

SEC. 51. (1) Where a worker has given notice of an accident or claims compensation or is entitled to weekly payments under this act, he shall, if and as often as so required by the employer or by any person by whom the employer is entitled to be indemnified, whether by way of insurance or otherwise, in respect of any liability under this act, or by any other person liable to pay compensation under this act, submit himself for examination by any registered medical practitioner nominated and to be paid by the employer or such other person.

(2) If the worker at any time without sufficient justification refuses or neglects to submit himself to any such examination, or in any way obstructs or delays the same, his rights under this act in respect of the accident to which the examination relates shall be suspended until the examination takes place, and shall absolutely cease if he fails without sufficient justification to submit himself for examination within one month after being required so to do.

(3) Where a right to compensation is so suspended, no compensation shall be payable in respect of the period of suspension.

(4) This section shall apply whether the worker is at the time when he is required to submit himself for examination resident in New Zealand or elsewhere, but if he is resident elsewhere than in New Zealand he shall be required to submit himself for examination by a duly qualified medical practitioner of the place where he is resident.

(5) This section shall be read subject to any restrictions and conditions which may be imposed by regulations as to the frequency of medical examinations and the manner in which they are to be conducted.

SEC. 52. (1) The governor may appoint such registered medical practitioners to be medical referees for the purposes of this act as he thinks fit, and the remuneration of those medical referees shall, subject to regulations made under this act, be paid out of moneys appropriated by Parliament for that purpose.

(2) The court of arbitration may submit to a medical referee for report any matter which seems material to any question arising in relation to compensation under this act, and may, if it thinks fit, act in accordance with that report in the same manner as if it were evidence duly given before the court.

(3) The court of arbitration may, in the course of any action or proceeding under this act, order any person who claims or is entitled to compensation in respect of any injury or disease to submit to medical examination by any one or more medical referees or other registered medical practitioners nominated by the court, and in respect of any such order subsections two and three of the last preceding section shall be applicable.

(4) Where a worker claims compensation under this act and a dispute exists between the worker and his employer as to the existence, nature, or cause of the injury or disease from which the worker is alleged to suffer, or as to the fitness of the worker for any kind of employment, the worker and employer may by writing under their hands submit any such question to a medical referee, and the written certificate of the

referee delivered in duplicate to the employer and the worker shall be conclusive evidence of the facts so certified by him.

SEC. 53. Where the governor is satisfied that by the laws of any other country within the dominions of the Crown compensation for accidents is payable to the relatives of a deceased worker although they are resident in New Zealand, he may by order in council declare that relatives resident in that country shall have the same rights and remedies under this act as if resident in New Zealand.

SEC. 54. No money paid or payable by way of compensation under this act, and no money so paid and remaining in the hands of the public trustee under any order of the court, shall be capable of being assigned, charged, taken in execution, or attached, nor shall any claim be set off against it, nor shall it be assets in the bankruptcy of the person entitled thereto.

SEC. 55. When under the provisions of any statute an employer has paid or is liable to pay any sum of money (other than damages) to or for the benefit of a worker or any dependant of a worker in respect of any accident happening to that worker, or where any sum of money has in respect of any such accident been paid or is payable to or for the benefit of the worker or any such dependant out of any fund to which the employer is by any statute bound to contribute, the amount of any money so paid or payable shall be deducted from any compensation payable under this act in respect of the same accident.

SEC. 56. Nothing in this act shall affect the provisions of Part II of the Public Service Classification and Superannuation Act, 1908, Part II of the Police Force Act, 1908, Part IX of the Education Act, 1908, or Part III of the Government Railways Act, 1908.

SEC. 57. (1) Notwithstanding anything in this act or any other act, when a contract to perform any work in a gold-mine or coal-mine is let directly to one or more contractors who do not either sublet the contract or employ wages-men, or who, though employing wages-men, actually perform any part of the work themselves, those contractors shall for the purposes of this act be deemed to be working under a contract of service with an employer.

(2) No deduction shall be made from the wages or other remuneration of any such contractor or his wages-men on account of any insurance or indemnity issued by an insurance company or otherwise to any person indemnifying him against liability in respect of accidents to any such contractor or his wages-men, and any such deduction shall constitute an offence against Part II of the Wages Protection and Contractors' Liens Act, 1908.

SEC. 58. In any case where, on application in the prescribed manner to the judge of the court of arbitration, the court, after taking steps to ascertain the views of the employer and workers, certifies that any scheme of compensation, benefit, or insurance for the workers, whether or not such scheme includes other employers and their workers, is on the whole not less favourable to the general body of workers and their dependants than the provisions of this act, the following provisions shall apply:—

(a) The employer may, until the certificate is revoked, contract with any of those workers that the provisions of the scheme shall be substituted for the provisions of this act; and thereupon the employer shall, as respects the workers with whom he so contracts, be liable in accordance with the scheme in lieu of this act; but, save as aforesaid, this act shall apply, notwithstanding any contract to the contrary made after the coming into operation of the Workers' Compensation for Accidents Act, 1900.

(b) The court may give such certificate to expire at the end of a limited period to be specified therein, being not more than five years.

(c) No scheme shall be so certified which contains an obligation upon the workers to join the scheme as a condition of their hiring.

(d) If during the currency of the certificate complaint is made to the court by or on behalf of the employer or the workers, or a majority of them, that the provisions of the scheme are no longer on the whole so favourable to the employers or to the general body of workers and their dependants as the provisions of this act, or that the provisions of the scheme are being violated, or that the scheme is not being fairly administered, or that satisfactory reasons exist for revoking the certificate, the court shall examine into the complaint, and, if satisfied that good cause exists for such complaint, shall, unless the cause of complaint is removed, revoke the certificate.

(e) When a certificate is revoked or expires, any moneys or securities held for the purpose of the scheme shall be distributed as may be arranged between the employer and workers, or as may be determined by the court in the event of a difference of opinion.



(f) For the purposes of this section it shall be the duty of the employer and workers to answer all such inquiries and to furnish all such accounts in regard to the scheme as may be made or required by the court.

SEC. 59. The governor may from time to time by order in council make regulations for the following purposes:—

(a) Prescribing the procedure in any proceedings under this act in the court of arbitration.

(b) Prescribing the court fees (if any) payable in any such proceedings.

(c) Prescribing the duties of the public trustee in respect of moneys to be invested or administered by him under this act.

(d) Declaring that any disease shall come within the provisions of this act in addition to those herein specified.

(e) Making any other provisions consistent with this act which he thinks necessary or advisable in order to give full effect to the provisions of this act.

SEC. 60. (1) The Employers' Liability Act, 1908, is hereby repealed.

(2) The Workers' Compensation for Accidents Act, 1908, is hereby repealed, but shall continue to apply to cases where the accident happened before the commencement of this act.

SEC. 61. Every policy of insurance or indemnity indemnifying an employer against his liability in relation to workers' compensation under this act, or at common law or otherwise, issued on or after the coming into operation of this act, shall contain only such provisions as may be approved by the governor in council.

SEC. 62. (1) When any injury or damage is suffered by a servant by reason of the negligence of a fellow-servant, the employer of those servants shall be liable in damages in respect to that injury or damage in the same manner and in the same cases as if those servants had not been engaged in a common employment.

(2) This section applies to every case in which the relation of employer and servant exists, whether the contract of employment is made before or after the commencement of this act, and whether or not the employment is one to which the other provisions of this act apply.

(3) No servant shall be entitled to recover from his employer in respect of the negligence of a fellow-servant (whether the right of action is conferred by this section or exists independently of this section) a larger sum by way of damages for any one cause of action than five hundred pounds [\$2,433.25]. Nothing in this subsection shall affect the measure of damages in an action brought against an employer in respect of the death of a servant.

SEC. 63. Where an insurance company or person indemnifies an employer against his liability for accidents to workers under this act or at common law or otherwise, and has used or uses such employer's name or has acted on his behalf in any action or proceedings in the arbitration court or other court, such insurance company or person shall be bound by the decision of the court in the same manner and to the same extent as the employer, and shall indemnify him accordingly, provided that the liability of the insurance company or person shall be limited by the terms and conditions of the policy.

## SCHEDULES.

### FIRST SCHEDULE.

#### *Occupations.*

Mining; quarrying; excavation; the cutting of standing timber, including the cutting of scrub and clearing land of stumps and logs; the erection or demolition of any building; the manufacture or use of any explosive; the charge or use of any machinery in motion and driven by steam or other mechanical power; the driving of any vehicle drawn or propelled by horse-power or mechanical power; any occupation in which a worker incurs a risk of falling any distance exceeding twelve feet, if the injury or death of the worker results from such a fall.

SECOND SCHEDULE.

Nature of injury.	Ratio of compensation to full compensation as for total incapacity.
Loss of both eyes.....	} <i>Per cent.</i> 100
Loss of both hands.....	
Loss of both feet.....	
Loss of a hand and a foot.....	
Total and incurable loss of mental powers involving inability to work.....	
Total and incurable paralysis of the limbs or of mental powers.....	
The total loss of the right arm, or of the greater part of the arm.....	80
The total loss of the left arm, or of the greater part of the arm.....	75
The total loss of the right hand, or of five fingers of the right hand, or of the lower part of the right arm.....	70
The total loss of the same for the left hand and arm.....	65
The total loss of a leg.....	75
The total loss of a foot, or the lower part of the leg.....	60
The total loss of the sight of one eye, together with the serious diminution of the sight of the other eye.....	75
The total loss of hearing.....	50
The total loss of the sight of one eye.....	30
The total loss of the thumb of the right hand.....	30
The total loss of the thumb of the left hand.....	25
The total loss of the forefinger of the right hand.....	20
The total loss of the forefinger of the left hand.....	15
The total loss of part of the thumb of the right hand.....	15
The total loss of the little finger of the hand.....	12
The total loss of the middle or ring finger of the hand.....	8
The total loss of a toe or of a joint of a finger.....	5
Complete deafness of one ear.....	10

For the purposes of this schedule an eye, hand, or foot shall be deemed to be lost if it is rendered permanently and wholly useless.

Where a worker suffers by the same accident more than one of the injuries mentioned in this schedule, he shall not in any case be entitled to receive more than full compensation as for total incapacity.



## NORWAY.

### LAW OF JULY 23, 1894, CONCERNING INSURANCE OF WORKMEN AGAINST ACCIDENTS (AS AMENDED BY ACTS OF DEC. 23, 1899, AND JUNE 12, 1906).<sup>(a)</sup>

ARTICLE 1 (as amended by acts of Dec. 23, 1899, and June 12, 1906). All workmen and employees who are employed:—

1. In factories and such handicraft, or other industrial establishments as are conducted like factories or in which other than human power is employed or steam boilers are used;

2. In mines and accessory plants, stone and lime quarrying, stone cutting, etc.;

3. In ice cutting;

4. In establishments in which explosives or easily inflammable materials are produced or used for purposes of production;

5. In building, equipping, and repairing houses, vessels, railroads, roads, bridges, quays, harbors, docks, dams, canals, locks, etc., in work on drain, gas, and water pipes and in work of installation, repairing or removal of electric wires and lightning rods;

6. In the driving and rafting of wood and work therewith connected, in the service of dams, canals, and locks, in the service of railroads and street railroads;

7. In the loading and unloading of goods, except that which is done by the crew of a vessel, and also in work in yards of construction and demolition, in warehouses and store houses and in the transportation of goods in connection with these latter;

8. In diving and the salvage work therewith connected;

9. In chimney sweeping and in the work of salvage and fire-extinguishing; shall be insured, regardless of the duration of the employment, according to the provisions of this law, against the results of accidents from which they may suffer during their work, provided the work

(a) is done for an employer whose business demands such work or for an association which includes within its scope of activity the carrying on of one of the above mentioned industries, or

(b) is done for the State or the commune, or

(c) requires at least 30 working days and at least 300 days' work.

When a piece of work subject to the insurance obligation is intrusted, as a separate undertaking or by contract, to an association of workmen, the obligation of insurance rests upon the party for whom the work is being done, unless the association has been formed and permanently organized for the purpose of carrying on such work as a regular business. In the latter case, the association must itself assume the obligation of insurance, and the discharge of the obligations imposed on the employer by this law, together with the responsibility prescribed by it for employers, devolves upon its management. All members of such associations are insured.

In general when a piece of work falling under this law is performed, as a separate undertaking or by contract, the obligation of insurance devolves upon the one who has undertaken the work, provided that, with reference to his responsibility for the economic risk of the enterprise or the contract, to his personal situation, and to his relation to the workmen engaged to carry on the work, he may be regarded as the employer of the latter. Otherwise the obligation of insurance devolves upon the one for whom the work is done. In case of doubt as to upon whom the obligation of insurance devolves, both must make the declaration required by article 14 of the law. The person for whose account the work is done is jointly responsible with the employer or the contractor for the payment of the premium and for the fulfillment of the obligations devolving upon the employer according to article 9 of the present law.

If a piece of work is carried on as a unit for several employers, subject to the insurance and if its execution on their common account is not attended to by any person,

<sup>a</sup> Norsk Lovtidende 2den Afdeling 1894, page 408; 1899, page 683; 1906, page 487.

firm, society, association, or any other group on whom or which the responsibility devolves, the employers must choose a representative to bear the responsibility. If they fail to make the choice or if the chosen representative does not discharge his obligations, the employers are jointly responsible for them.

In doubtful cases, questions as to whether an establishment or undertaking falls under the provisions of this law, and as to who is to be regarded as the responsible employer, or as to who are the persons entitled to the benefits of insurance, shall be submitted to the commission mentioned in article 19.

If an occupation subject to the application of this law is, on account of special conditions, not regarded as involving danger of accidents for the employees, it may be exempted by the Crown from the obligation of insurance. Such exemption may, with the approval of the factory inspector, be given by the state insurance institution to establishments in which no power is used except electric motors of not more than one-half horse power, unless the establishment is subjected to insurance for other reasons.

Insurance under this law does not apply to employees of the State (the Norwegian railway trunk lines), or the communes, if they and their families are, without expense to them, assured of such compensation for accidents as is regarded by the Crown as equivalent to that prescribed by the present law.

ART. 2. For the assumption of the insurance provided for in article 1, a public insurance institution guaranteed by the State is established for the whole Kingdom.

The board of directors of this insurance institution is to be appointed by the Crown. Its expenses are to be borne by the state treasury.

ART. 3. The object of the insurance is to render compensation in case of accidents which result in the bodily injury or death of the persons insured, according to the following provisions.

ART. 4 (as amended by act of June 12, 1906). In cases of bodily injury, the insurance institution shall, from the expiration of the fourth week after the accident, pay:—

1. The expenses of medical treatment as long as it is required;

2. Pecuniary compensation to the injured person as follows:—

(a) For complete disability, as long as it lasts, 60 per cent of the wages of the injured person, but in no case less than 50 ore [13.4 cents] for every workday or 150 Kr. [\$40.20] a year;

(b) For partial disability, as long as it lasts, a fraction of the compensation provided for under (a), computed in proportion to the injured person's disability. But partial disability gives no claim to compensation, unless it involves a loss of at least 5 per cent of the wages of the injured person.

If the injured person is insured against sickness, the obligation of the sick benefit fund concerned to render support ceases with the beginning of the fifth week.

ART. 5. If the accident results in death, the insurance institution must, in addition to the compensation that may have been rendered in accordance with article 4, also grant:—

1. As compensation for funeral expenses, 50 Kr. [\$13.40];

2. As pensions for the survivors from the day of death:—

(a) To the surviving widow, until her death or remarriage, and to the surviving widower if incapable of work, as long as his disability continues, 20 per cent, also to every surviving legitimate child up to the completion of the fifteenth year, 15 per cent, or, if it has also lost or afterward loses the other parent, 20 per cent of the wages of the injured person. If both parents have perished and both were insured, the surviving legitimate children receive 15 per cent for each parent.

If the marriage was concluded after the accident, neither the spouse nor the children born after that time have any claim to a pension. The same holds true of the spouse who at the time of the accident was living apart from the injured person without receiving or having a legal right to claim support from the latter.

Children of unmarried parents, if born before the day of the accident, have the same rights as legitimate children.

The pensions of the spouse and the children, taken together, must not exceed 50 per cent of the wage; if the provisions above set forth give a greater amount, the shares of the legal beneficiaries in question are to be proportionately reduced.

(b) For the relative or relatives of the injured person in the direct ascending line who derived their principal support from him, until they die or cease to need help, 20 per cent of the injured person's wages. This amount is divided equally among those entitled to receive it, but parents always take precedence over grandparents.

If the injured person leaves a spouse or children, or both, the relatives in the ascending line have a claim to compensation only to the amount of the difference between 50 per cent of the injured person's wages and the amount paid to the spouse and the children.

If any one of the persons entitled to compensation drops out, the others shall take his place according to the rules above.

The widow shall receive, in case of her remarriage, three times the amount of her annual pension in settlement of her claim.

The survivors of a foreigner who, at the time of the accident, were living outside of the country, have no claim to compensation.

For children entitled to compensation under this law, guardians shall be appointed.

ART. 6 (as amended by act of June 12, 1906). The earnings referred to in articles 4 and 5 shall be computed on the basis of the wage which the injured person has earned during the last year in the establishment in which he met with the accident. If he has not held his position in the establishment for an entire year before the accident, the average wages of workmen of the same class in the same establishment or in neighboring establishments of the same kind are taken as a basis for the computation.

If, on account of its nature, the establishment, either wholly or partly, is running for only a part of the year, the total annual wages of those workmen who are not employed during the entire year shall be estimated by the insurance institution. Appeals from the estimate may be made to the commission referred to in article 19. But the annual earnings must be computed so as to correspond at least to the daily wages of the unskilled laborers of the same age and sex in the same locality.

Accidental interruptions of work shall not be taken into account.

For apprentices and other persons who, not having yet completed their education, receive no pay or very small pay, and also for other workmen who are temporarily working for disproportionately small remuneration, the wages shall be taken as one and one-half Kr. [40.2 cents] for male and 1 Kr. [26.8 cents] for female workers. If the compensation, according to this estimate, amounts to more than the actual wages of the injured person, the former is reduced to the amount of the latter, provided that the injured person has not yet completed 20 years and that the compensation is not less than the legal minimum as prescribed by article 4, paragraph 2, (a).

If the annual earnings are not made up of definite amounts determined for at least monthly periods, they shall be taken as 300 times the average daily wage.

The amount by which the annual income exceeds 1200 Kr. [\$321.60] shall not be taken into account in computing the compensation.

ART. 7. Under earnings or wages, shall be included for the purposes of the present law, the following:—share in the profits, use of buildings, or of house and land, rent, payments in kind, etc. The value shall be estimated according to the average prices in the locality.

ART. 8. Instead of the benefits prescribed in article 4, the insurance institution may furnish the injured person free care in a hospital. But if the injured person is married or is living with a relative, his consent is required, unless the injury is of such a nature that in the judgment of the physician, the injured person can not be properly cared for at home.

During the time the injured person spends in the hospital, the insurance institution shall pay to the spouse or relatives the same pension to which they would have a claim according to article 5 in case of his death.

ART. 9 (as amended by act of June 12, 1906). If the injured person is not insured, through membership in a sick benefit fund or in some other way, to receive during the first four weeks free medical care and medicine and also, in the case of disability, such pecuniary aid as is prescribed in the Workmen's Sick Insurance Law, the employer must furnish these benefits at his own expense. Until the law concerning sick insurance shall go into force, this pecuniary aid shall amount to 50 per cent of the injured person's wages, computed according to the rules given in article 6, except that the provision in the second section of that article concerning a decision of the insurance institution shall be applied only if no amicable agreement can be made by the injured person and his employer.

If the injury has necessitated unusual expenditures, as for hospital care, transportation of the injured person, etc., these shall be assumed by the insurance institution, unless the injured person is to receive them from amounts due him from other sources.

ART. 10. If the injured person has himself intentionally caused the accident, he shall have no claim to compensation under this law.

ART. 11 (as amended by act of June 12, 1906). The funds required for the payment of compensation are obtained by means of insurance premiums, which are paid by the employer concerned according to the wage earned by the person insured, including the kinds of income enumerated in article 7.

The wage on the basis of which the premium for the individual workman is to be computed shall not exceed the amount obtained by multiplying 4 Kr. [\$1.07] by

the number of days' work which the workman in question has done in the establishment during the calendar year in which he has been employed there.

For the persons designated in article 6, section 4, the premiums are computed on the basis of a wage of 1.50 Kr. [40.2 cents] per day's work for male and 1 Kr. [26.8 cents] for female workers.

The premium must not be charged by the employer against the insured person.

ART. 12. In the computations of the premiums, not only the wage but also the risk of accidents involved in the establishment in which the insured person is employed shall be taken into account. The establishments subjected to insurance under this law shall be divided into classes of risks; and for each of the latter a special premium rate shall be determined, which shall give the premium for the class in question in percentages of the wages of the insured persons and shall be high enough so that the sum of all the premiums paid to the insurance institution shall be sufficient to cover the total amount of the claim which may be expected.

ART. 13 (as amended by acts of Dec. 23, 1899, and June 12, 1906). The classification of risks and the rates of premiums shall be determined by the Crown and with the approval of the Storting, the first time in the year 1903, before the end of the month of July. Changes in the classification of risks and the rates of premiums may be introduced by the Crown at any time, to go into force before the beginning of the calendar year next following that in which the change is made. Decrees concerning changes must, unless the Storting otherwise provides, be announced at least two months before going into force.

If an establishment comprises several occupations listed in different risk classes, the insurance institution may compute the premium separately for each of those occupations which can be clearly distinguished from the rest with reference to the number of workmen, the accounting, etc., or it may fix an average premium for the entire establishment, according to circumstances. The decision of the insurance institution may be appealed to the commission referred to in article 19.

ART. 14 (as amended by acts of Dec. 23, 1899, and June 12, 1906). Every proprietor of an establishment or undertaking belonging to one of the classes enumerated in article 1 of the present law shall, at least three months before the present law goes into force, if it is an old establishment, and within eight days from the beginning of the operations, if it is a newly founded establishment, furnish a written declaration, in duplicate, according to a form determined by the insurance institution, containing all the information necessary to decide whether the establishment is subject to insurance and to determine the class of risk and the corresponding scale of premiums. The declarations shall be sent to the local inspector (article 28) who shall transmit them as soon as possible to the director of the insurance institution.

The employer in question shall be notified as soon as possible of the risk class to which his establishment has been assigned and of the rates at which their premiums are to be reckoned. From this decision, appeal may be made to the commission referred to in article 19.

In all establishments subject to insurance, a placard with sufficiently large and plain letters shall state that the workmen are insured against accidents. The placard shall be posted by order of the inspector, in a suitable and conspicuous place.

From the time at which the law goes into force or at which the work begins, the workmen shall be considered insured without reference to whether or not the declaration has been made or the placard posted.

ART. 15 (as amended by the act of June 12, 1906). If an establishment undergoes changes in its conditions and nature which have a bearing on its obligations of insurance in general or on its position in the classification of risks, the proprietor must within eight days, announce the fact through the inspector.

The insurance institution shall then decide whether on account of the changes which have taken place, the business has ceased to be subject to insurance or whether it is to be assigned to a different risk class. The decision shall be announced to the employer according to article 14, section 2. An appeal against this decision may be made to the commission referred to in article 19.

ART. 16 (as amended by acts of Dec. 23, 1899, and June 12, 1906). The insurance premium shall be paid semi-annually, on April 1st and October 1st, in such installments as may be determined by the insurance institution.

Premiums amounting to less than 8 Kr. [\$2.14] per annum are, however, to be paid annually in advance at such time as may be further determined by the insurance institution.

For temporary undertakings and for trades which are exercised only at certain times of the year, the insurance institution may demand the premium to be paid in one sum in advance and at such time as it may determine for each separate case.

The employer shall be required to keep lists of wages according to a form approved by the insurance institution.



The final accounting, accompanied by such documents as the insurance institution finds necessary, shall be sent in by the employers within two months after the expiration of the calendar year, or if the operations were suspended before that time, within a month after that. At the same time any premiums in arrears shall be sent in. The insurance institution may—if it seems desirable—bring about the necessary settlement on its own initiative.

To this end, and also if the insurance institution finds occasion to inquire further into the accuracy of the documents and accounts turned in, it may cause a verification of the accounts and the books of the establishment from which the number and wages of the insured persons may be ascertained.

Premiums in arrears have the same priority as taxes and may be collected through the process of distraint by the inspector or by the official charged with the executions in general.

ART. 17 (as amended by act of June 12, 1906). If, in an establishment subject to insurance, there occurs an accident which may give occasion to a claim to compensation under the present law, and which will presumably result in incapacity for work for more than three days, or in death, the proprietor or the person in charge of the establishment at the moment of the accident shall, as soon as possible, and within three days at the latest, report the accident in writing to the local inspector. The latter shall then immediately report the case to the district chief of factory inspection. The inspector shall then, as soon as possible, institute an investigation to obtain information concerning:—

1. The causes of the accident and the circumstances under which it occurred;
2. The severity of the accident and the condition of the injured;
3. The nearest relatives of the person injured who have a claim to compensation under this law;
4. The wages of the injured person or persons.

The declaration, together with these detailed explanations, shall be transmitted without delay to the insurance institution which, if it regards it as necessary, may cause a judicial investigation to be made of the above matters.

In addition to the inspector, the following persons shall be summoned to this investigation:—the employer, the president of the sick benefit fund in which the injured person was insured, and also the persons entitled to compensation or their guardians or fully authorized representatives.

Experts may be summoned, if necessary. All the costs involved in the investigation shall be borne by the insurance institution and shall be charged to the administrative expenses.

ART. 18 (as amended by act of June 12, 1906). As soon as the necessary information is in the possession of the insurance institution, it shall at once render a decision concerning the payment of compensation to the amount justified by the accident under this law. If, under the circumstances, it is impossible to wait for the decision of the insurance institution, the inspector shall provisionally furnish the necessary assistance.

If, on account of the nature of the case, the compensation can not be finally determined at once, it shall be provisionally determined up to the discontinuance of the medical treatment. As soon as medical attendance has ceased, the final decision shall be made.

The person entitled to compensation shall receive without delay a written notification of the decision of the insurance institution and the reasons for it. In addition, he may demand a copy of the documents transmitted by the inspector.

ART. 19 (as amended by act of June 12, 1906). The decision of the insurance institution may be appealed from to a commission, which shall have its headquarters at Christiania and shall consist of seven members, of whom three, namely, a president who shall be learned in the law, a physician, and a technician, together with the required substitutes, shall be appointed by the Crown for a term of five years, while the other four, namely, two employers and two workmen, together with two substitutes, namely, one employer and one employee, shall be appointed by the Storting for a period of three years. The commission may call upon expert advice in especially important cases.

Notice of the desire to appeal a decision of the insurance institution to the commission must be given by the person concerned within six weeks after he has received the announcement of the decision.

The commission shall consider questions concerning the amount of the compensation as well as questions concerning the obligation of the insurance institution to pay compensation to the injured workman or the surviving relatives.

The decision may, in all cases, be altered to the disadvantage as well as to the advantage of the persons making the appeal.

The decisions of the commission which are matters of opinion are final. But, on the other hand, disputes concerning questions which are not by their nature exclusively matters of opinion and which have been appealed to the commission in accordance with the provisions of the present law may be carried to the courts for settlement.

ART. 20 (as amended by act of June 12, 1906). Claims for compensation which have not already been considered must be reported within two years after the accident to the insurance institution, which shall then proceed to investigate them according to the provisions of this law.

ART. 21 (as amended by act of June 12, 1906). If an important change takes place in the conditions which were decisive in determining the amount of compensation, the latter may be reconsidered and either increased, diminished, or entirely abolished.

If an injured person, for whom compensation has been fixed in conformance with article 4, subsequently dies from the injury, the petition for the payment of compensation to his survivors must be made to the insurance institution within two years after the injured person's death.

With regard to the method of procedure in the cases just referred to, the provisions of articles 18 and 19 shall be applicable.

An increase of the compensation may be claimed only from the day on which a petition for it was made. A reduction or abolition of the compensation goes into effect on the day on which the notice of the decision concerning it was given to the beneficiary.

ART. 22. Daily allowances shall be paid while the sickness continues, at the close of each week, whereas the funeral expenses shall be paid as soon as possible after death.

The regular periodic payments to injured persons or pensions to the survivors shall be made monthly in advance; and the recipient shall be under no obligation to refund any portion of it if the injured person should die in the course of the month, or the right to compensation should cease for any other reason.

ART. 23. If the injured person belongs to a sick benefit fund which, during the first four weeks after the accident, has granted, wholly or partly, the payments mentioned in article 4, the insurance institution may require the fund to continue to meet these payments after this period and as long as the medical treatment continues, and the fund shall be reimbursed for its expenditures.

ART. 24. Payments either to or by the insurance institution shall be made either through the post-office or through the local inspector. Before a decision is reached in this matter, the advice of the communal authorities must first be sought.

ART. 25 (as amended by act of June 12, 1906). If a person entitled to compensation transfers his residence to a foreign country, the insurance institution is authorized to liquidate the claim of that person with a single payment of an amount determined according to the circumstances. This sum shall not, however, without special reason, be made less than three times the annual compensation. If such a person again settles permanently in the Kingdom, he is again entitled to receive annual compensation, provided he is still a Norwegian citizen. This begins from the time when the request is made of the insurance institution by the returned person, but not before the expiration of a period corresponding to the amount already paid out. After he again transfers his residence abroad, his right to compensation ceases; nevertheless, if justice seems to demand it, he may again be granted by the institution a sum in settlement or a continued compensation.

ART. 26 (as amended by act of June 12, 1906). If the accident has resulted in disability of a more or less serious degree which will, presumably, be prolonged, or become permanent, the insurance institution is authorized to devote, if the injured person so wishes, an amount not to exceed five times the annual compensation, for the purpose of providing him with a new occupation. If the injured person earns any income because of this step, there shall be deducted from the compensation due him a sum amounting to one-half of this income. Whether any income has been earned and how much it amounts to is decided, in cases of dispute, by the commission referred to in article 19. As long as it has not been decided that the new occupation insures an income to the injured person, he is given compensation in money for the interval to which the amount used in the manner mentioned corresponds, but only amounting to three-fourths of the regular compensation.

ART. 27 (as amended by act of June 12, 1906). If an establishment subject to insurance seems to involve a special danger to the workmen employed in it, the insurance institution may cause an investigation on the spot, by the authorities appointed under the factory inspection law or by representatives especially appointed for the purpose, of the extent to which and the manner in which the danger can be prevented.

If the danger can not be prevented or if the demands made for this purpose by the insurance institution have not been complied with, the institution is authorized to list the business in a higher risk class, or if it is already listed in or has been raised to



the highest class, to increase the rate of premium still further and even to three times its amount. Such a decision may be appealed to the commission referred to in article 19.

ART. 28 (as amended by act of June 12, 1906). In every commune, the communal authorities shall designate one or, if the insurance institution regards it as necessary, several inspectors for the insurance institution.

They shall be appointed subject to the obligation of a three months' notice in case of termination of contract by either side. The names and residences of the inspectors shall be made public. The president or vice-president of the commune may not serve in the capacity of inspector.

Each inspector shall attend to the interests of the insurance institution in his district and give it all his assistance according to the provisions of this law or to special decrees.

For their services they shall receive suitable remuneration, to be determined by the communal authorities, and payable half by the commune and half by the insurance institution, which shall charge the cost to expense of administration. The communes are responsible for the amounts received by the inspectors but may require sufficient security to protect themselves in this regard.

ART. 29. The provisions of article 37 of the law concerning factory inspection, etc.; and the corresponding provisions of article 45 shall also apply to court officials and other officials who, on account of the present law, have the opportunity to make themselves acquainted with the industrial and financial conditions of an establishment.

ART. 30. The employer can not legally, either by contract or by shop rule, exclude or restrict the application of the provisions of this law to the injury of the insured persons.

ART. 31. Claims to compensation under this law can not legally be conveyed or given in pledge, nor can they be made the object of arrest, execution or distraint except for the collection of the compulsory contribution to the maintenance of wife and children or of payments made by the poor relief on account of the claimant for this same purpose.

ART. 32. Accidents coming under this law impose no liability upon the employer, his representative, master, authorized agent, overseer, foreman or the like, unless it has been shown by penal sentence that the person has caused the injury, either intentionally or by gross negligence.

If this is the case, the condemned person shall pay damages, according to the general provisions of the law, in the form of a single payment of an amount determined by judicial opinion. In any case, the injured person or his survivors receive their payment, according to articles 4 and 5, from the insurance institution. To the extent to which the insurance institution and the sick benefit fund concerned have made expenditures and borne obligations, the claims of the injured person for compensation are transferred to them. If the full amount of compensation can not be collected, the amount of damages due the injured person or his survivors shall be paid before the demands of the institution mentioned are satisfied.

ART. 33. The employer or owner shall not be liable for the obligations devolving upon his representative, master, authorized agent, foreman, and the like in the cases referred to above.

ART. 34. If the establishment is owned by a trading company, with unlimited liability, or a firm, the company or firm shall be liable for the compensation which one of its members has to make in accordance with the provisions of article 32. Similarly, a joint stock company or a company with limited liability shall be liable for the compensation, the payment of which devolves upon the board of directors or one of its members.

ART. 35. The claims treated of in the preceding article may be satisfied even without a penal sentence, if the guilty person can not be brought to trial because of his death or absence or for similar reasons.

ART. 36. The liability of third parties for the accidents considered in this law shall not be affected by its provisions. But the right of those entitled to compensation from the third parties are transferred to the insurance institution and the sick benefit fund concerned in so far as the accident has caused expense to these institutions in accordance with article 32, section 2. The amount of damages to be demanded shall be determined by judicial decision and a single payment shall be made in settlement.

ART. 37. In so far as persons insured according to this law are, at the time the law goes into effect, insured by a contract with a private company, against accidents which give a claim for compensation under the preceding provisions, the insured person under consideration shall be authorized to transfer his rights and obligations under this contract to the insurance institution established by the present law, which

shall in this case pay the premium during the remaining time of the insurance, and may also collect any compensation due according to the contract.

ART. 38 (as amended by act of December 23, 1899). Employers who fail to discharge the obligations imposed by articles 14, 15, 16, and 17, to furnish declarations, to keep lists of wages, produce the final settlements and calculations or transmit accounts within the time limits prescribed, or who give false information as to the date of opening or closing the establishment, or as to the number of workmen or the amount of their wages, or who make a reduction of wages or withhold them, in part, because of the payment of premiums, shall be subject to fines, unless the offense, by its nature, carries with it a severer penalty.

If, on account of the false information, too small a premium has been paid, the fine shall be, in general, equal to at least three times the sum in arrears.

If an employer refuses, even after being fined, to discharge his obligations, he may again be fined to an amount not less than twice that of the first fine.

The fines go to the insurance institution. Punishable offenses arising from violations of the present law are treated as police cases.

ART. 39. Voluntary insurance to the extent indicated by the law may, under the detailed conditions and other rules to be determined for the purpose by the Crown, be arranged with the insurance institution:—

- (a) By proprietors of establishments subject to insurance;
- (b) For workmen in businesses not subject to insurance, either collectively through their employers or by each individual workman for himself;
- (c) By the employers who insure their workmen in accordance with (b).

ART. 40 (as amended by act of June 12, 1906). The commission referred to in article 19, in addition to the duties enumerated in articles 1, 6, 13, 14, 15, 21, 26, and 27, shall also, at the request of the authorities concerned, consider and give advice on matters concerning workmen's insurance.

The members of the commission shall be paid for their attendance at meetings and also receive, when they travel, traveling expenses according to regulations prescribed by the royal decree.

ART. 41. All proceedings and documents arising from this law shall be exempt from all court fees and copying fees and from stamp duties.

The cost of witnesses shall be borne by the state treasury.

Postal matter concerning insurance shall enjoy free postage.

ART. 42. This law shall go into effect on July 1st of next year. At the same time, the provisions conflicting with this law, of article 4, paragraph 10, and article 6, paragraph 10, of the law of September 12, 1818, concerning copperworks in Røros, of article 62 of the law of July 14, 1842, concerning mining, of article 29 of the law of June 6, 1863, concerning poor relief in cities, and of article 30 of the law of the same date concerning poor relief in the country, are repealed.

## QUEBEC.

### AN ACT RESPECTING THE RESPONSIBILITY FOR ACCIDENTS SUFFERED BY WORKMEN IN THE COURSE OF THEIR WORK, AND THE COMPENSATION FOR INJURIES RESULTING THEREFROM.<sup>(a)</sup>

#### SECTION I.—*Compensation.*

1. Accidents happening by reason of or in the course of their work, to workmen, apprentices and employees engaged in the work of building; or in factories, manufactories or workshops; or in stone, wood or coal yards; or in any transportation business by land or by water; or in loading or unloading; or in any gas or electrical business; or in any business having for its object the building, repairing, or maintenance of railways or tramways, water-works, drains, sewers, dams, wharves, elevators, or bridges; or in mines, or quarries; or in any industrial enterprise, in which explosives are manufactured or prepared, or in which machinery is used, moved by power other than that of men or of animals, shall entitle the person injured or his representatives to compensation ascertained in accordance with the following provisions.

This act shall not apply to agricultural industries nor to navigation by means of sails.

2. In cases to which article 1 of this act applies, the person injured is entitled:

a. In case of absolute and permanent incapacity, to a rent equal to fifty per cent of his yearly wages, reckoning from the day the accident took place, or from that upon which by agreement of the parties or by final judgment it is established that the incapacity has shown itself to be permanent;

b. In case of permanent and partial incapacity, to a rent equal to half the sum by which his wages have been reduced in consequence of the accident;

c. For temporary incapacity to compensation equal to one half the daily wages received at the time of the accident, if the inability to work has lasted more than seven days, and beginning on the eighth day.

The capital of the rents, shall not, however, in any case except in the case mentioned in article 5, exceed two thousand dollars.

3. When the accident causes death, the compensation shall consist of a sum equal to four times the average yearly wages of the deceased at the time of the accident, and shall in no case, except in the case mentioned in article 5, be less than one thousand dollars or more than two thousand dollars.

There shall further be paid a sum of not more than twenty-five dollars for medical and funeral expenses, unless the deceased was a member of an association bound to provide, and which does provide therefor;

The compensation shall be payable as follows:

a. To the surviving consort not divorced nor separated from bed and board at the time of the death, provided the accident took place after the marriage.

b. To the legitimate children or illegitimate children acknowledged before the accident, to assist them to provide for themselves until they reach the full age of sixteen years.

c. To ascendants of whom the deceased was the only support at the time of the accident.

If the parties do not agree upon the apportionment of the compensation, it shall be apportioned by the proper court. Nevertheless every sum paid under article 2 of this act in respect of the same accident shall be deducted from the total compensation.

4. A foreign workman or his representatives shall not be entitled to the compensation provided by this act, unless at the time of the accident he or they reside in Canada, or if he or they cease to reside there while the rent is being paid; but if he or they cannot take advantage of this act the common law remedy shall exist in his or their favour.

5. No compensation shall be granted if the accident was brought about intentionally by the person injured.

The court may reduce the compensation if the accident was due to the inexcusable fault of the workman, or increase it if it is due to the inexcusable fault of the employer.

6. If the yearly wages of the workman exceed six hundred dollars, no more than this sum shall be taken into account. The surplus up to one thousand dollars shall give a right only to one-fourth of the compensation aforesaid. This act does not apply in cases where the yearly wages exceed one thousand dollars.

7. Apprentices are assimilated to the workmen in the business who are paid the lowest wages.

8. The wages upon which the rent is based, shall be, in the case of a workman engaged in the business during the twelve months next before the accident, the actual remuneration allowed him during such time, whether in money or in kind.

In the case of workmen employed less than twelve months before the accident, such wages shall be the actual remuneration which they have received since they were employed in the business, plus the average remuneration received by workmen of the same class during the time necessary to complete the twelve months.

If the work is not continuous the year's wages shall be calculated both according to the remuneration received while the work went on, and according to the workman's earnings during the rest of the year.

9. As soon as the permanent incapacity to work is ascertained, or, in case of death of the person injured, within one month from the date of the agreement between the employer and the parties interested, or, if there be no agreement, within one month from the date of the final judgment condemning him to pay the same, the employer shall pay the amount of the compensation to the person injured or his representatives, or, as the case may be, and, at the option of the person injured or of his representatives, shall pay the capital of the rent to an insurance company designated for that purpose by order in council.

10. The rents payable under this act, shall be paid quarterly.

The compensation in case of temporary incapacity is payable at the same time as the wages of the other employees, and at intervals in no case to exceed sixteen days.

11. The lieutenant-governor in council may prescribe the conditions upon which the insurance companies applying by petition to be authorized to pay the said rents in virtue of this act, shall be authorized so to do; but no company that has not made a deposit with the Government of Canada or of this Province, in conformity with the laws of Canada or of this Province, of an amount deemed sufficient to ensure the performance of its obligations, shall be so authorized.

12. All compensation to which this act applies, shall be unalienable and exempt from seizure, but the employer may deduct from the amount of the indemnity any sum due to him by the workman.

13. The compensation prescribed by the preceding articles shall be entirely at the charge of the employer, and the employer shall not, for this purpose, deduct any part of the employee's wages, even with the consent of the latter.

## SECTION II.—*Liability for accidents.*

14. The person injured or his representatives, shall continue to have, in addition to the recourse given by this act, the right to claim compensation under the common law from the persons responsible for the accident other than the employer, his servants or agents.

The compensation so awarded to them shall, to the extent thereof, discharge the employer from his liability; and the action against third persons responsible for the accident, may be taken by the employer at his own risk, in place of the person injured or his representatives, if he or they refuse to take such action after having been put in default so to do.

15. The employer shall be liable to the person injured or to his representatives mentioned in article 3 of this act, for injuries resulting from accidents caused by or in the course of the work of such person, in the cases to which this act applies, only for the compensation prescribed by this act.

16. All moneys paid by any insurance company or mutual benefit society, shall be applied, to the extent thereof, on account of the sums and rents payable in virtue of this act, if the employer proves that he has assumed the assessments or premiums demanded therefor. But the employer's liability shall continue if the company or society neglects to pay or becomes unable to pay the compensation for which it is liable.

17. Workmen who usually work alone shall not be subject to this act from the fact of their casually working with one or more other workmen.

18. The person injured shall be bound, if the employer requires him so to do, in writing, to submit to an examination by a practicing physician chosen and paid by the employer, and if he refuses to submit to such examination or opposes the same in any way, his right to compensation as well as any remedy to enforce the same shall be suspended until the examination takes place. The person injured, shall, in such case, always be entitled to demand that the examination shall take place in the presence of a physician chosen by him.

19. Every agreement contrary to the provisions of this act shall be absolutely null.

### SECTION III.—*Security.*

20. The claim of the person injured or of his representatives, for medical and funeral expenses, as well as for compensation allowed for temporary incapacity to work, shall be secured by privilege on the movable and immovable property of the employer, ranking concurrently with the claim mentioned in paragraph 9 of article 1994 of the Civil Code.

Payment of compensation for permanent incapacity to work, or in respect of an accident followed by death, shall so long as the compensation has not been paid, or so long as the sum necessary to procure the required rent has not been paid to an insurance company or otherwise paid in virtue of this act, be secured by a privilege upon movable property of the same nature and rank, and by a privilege upon immovable property ranking after other privileges, and after hypothecs.

### SECTION IV.—*Procedure.*

21. The superior court and the circuit court shall have jurisdiction of every action or contestation in virtue of this act, in accordance with the jurisdiction given to them respectively, by the Code of Civil Procedure.

22. Review and appeal of or from judgments susceptible thereof, shall be taken within fifteen days from the rendering of such judgments, and if not so taken the right thereto shall lapse. Such appeals shall have precedence.

23. The court or judge may, upon petition, at any stage of the case, whether before judgment or while an appeal is pending, grant a provisional daily allowance to the person injured or to his representatives.

24. There shall be no trial by jury in any action taken in virtue of this act, but the proceedings shall be summary, and shall be subject to the provisions of the Code of Civil Procedure respecting such matters.

25. The action to recover any compensation to which this act applies shall, as against all persons, be subject to a prescription of one year.

26. A demand to revise the amount of the compensation, based on the alleged aggravation or diminution of the disability of the person injured, may be taken during the four years next after the date of the agreement of the parties as to such compensation, or next after that of the final judgment. Such demand shall be in the form of an action at law.

27. Before having recourse to the provisions of this act, the workman must be authorized thereto by a judge of the superior court upon petition served upon the employer. The judge shall grant such petition without the hearing of evidence or the taking of affidavits, but may before granting the same use such means as he may think useful to bring about an understanding between the parties. If they agree, he may render judgment in accordance with such agreement, upon the petition, and such judgment shall have the same effect as a final judgment of a competent court.

28. This act shall come into force on the first day of January, 1910, and shall not apply to pending cases nor to accidents which have happened before it came into force.



## QUEENSLAND.

### WORKERS' COMPENSATION ACT, 1905.<sup>(a)</sup>

1. This act may be cited as "The Workers' Compensation Act of 1905," and shall commence and take effect on and from the thirty-first day of March, one thousand nine hundred and six.

2. In this act, unless the context otherwise indicates, the following terms have the meanings set against them, respectively, that is to say:—

"Dependants"—Such members of the worker's family, that is to say,—the wife, husband, father, mother, grandfather, grandmother, stepfather, stepmother, son, daughter, grandson, granddaughter, stepson, stepdaughter, brother, sister, half-brother, half-sister, illegitimate son, and illegitimate daughter, as were wholly or in part dependent upon the earnings of the worker at the time of his death, and as are resident in the Commonwealth of Australia or New Zealand;

"Employer" includes persons, firms, companies, and corporations employing workers, and the legal personal representatives of a deceased employer;

"Medical Referee"—A duly qualified medical practitioner appointed by the Governor in Council for the purposes of this act;

"Regulations"—Regulations made under the authority of this act;

"Worker" includes any person of any age or either sex who, under contract with an employer, whether made before or after the commencement of this act, and whether oral or in writing, express or implied, is engaged in any employment to which this act applies, and whether his agreement is one of service or apprenticeship or otherwise, and whether the employment is on land, or on any ship or other vessel of whatsoever kind and howsoever propelled in any navigable or other waters within Queensland or the jurisdiction thereof. Any reference in this act to a worker who has been injured shall, where the worker is dead, include a reference to his legal personal representative or to his dependants, or other person to whom or for whose benefit compensation is payable.

3. This act shall apply only to employment by the employer on, in, or about—

(1) Any industrial, commercial, manufacturing, or building work carried on by or on behalf of the employer as part of his trade or business; or

(2) Any agricultural, horticultural, or pastoral work carried on by or on behalf of the employer as part of his trade or business; or

(3) Any mining, quarrying, engineering, or hazardous work carried on by or on behalf of the employer as part of his trade or business or as an investment with a view to profit; or

(4) Any work carried on by or on behalf of the Government of Queensland or any local authority as the employer, if the work would, in the case of a private employer, be an employment to which this act applies:

Provided that all sums payable under this act by or on behalf of the Government of Queensland shall be payable out of moneys to be appropriated by Parliament.

4. (1) If, in any employment to which this act applies, personal injury by accident arising out of and in the course of the employment is caused to a worker, his employer shall, subject as hereinafter mentioned, be liable to pay compensation in accordance with the schedule to this act.

(2) The employer shall not be liable under this act in respect of any injury which—

(i) Does not disable the worker for a period of at least two weeks from earning full wages at the work at which he was employed; or

(ii) Is directly attributable to the serious and wilful misconduct of the worker injured; or

(iii) Occurs to a worker whilst proceeding to or from his place of work.

5. (1) If any question arises in any proceedings under this act as to the liability to pay compensation under this act (including any question as to whether the employment is one to which this act applies), or as to the amount or duration of compensation under this act, the question, if not settled by agreement, shall, subject to the provisions of the schedule to this act, be heard and determined by a police magistrate, whose decision shall, subject to the next succeeding subsection, be final, and who



may grant such costs as in his opinion are just and reasonable, which costs shall in no case exceed the limit prescribed by the regulations.

(2) Either party to the proceedings may—

(a) Where the claim does not exceed fifty pounds [\$243.33], with the leave of the magistrate; or

(b) Where the claim exceeds fifty pounds [\$243.33], without such leave—appeal from the decision of the police magistrate on any point of law.

(3) Such appeal shall be made to the supreme court by way of special case in manner provided by "The Justices Act of 1866" with respect to appeals from the decisions of justices, and the provisions of that act relating to such appeals shall, *mutatis mutandis*, apply to appeals under this section.

6. (1) Nothing in this act shall affect any liability of an employer under the Employers' Liability or Factory Acts, or any act affecting seamen, or at common law.

(2) The worker may, at his option, either claim compensation under this act or take such proceedings as are open to him independently of this act:

Provided that, if a worker is unsuccessful in obtaining compensation under this act, he shall not be debarred from taking such proceedings as are open to him under the Employers' Liability or Factory Acts, or any act affecting seamen, but not otherwise:

Provided further that the employer shall not be liable to pay both damages independently of this act and also compensation under this act, and shall not be liable to pay damages independently of this act except in cases where his liability exists independently of this act.

7. If, within the time hereinafter in this act limited for taking proceedings under this act, an action is brought to recover damages independently of this act for injury caused by any accident, and it is determined in such action that the injury is one for which the employer is not liable in such action, but that he would have been liable to pay compensation under the provisions of this act, the action shall be dismissed; but the court in which the action is tried shall, if the plaintiff or defendant shall so choose, proceed to assess such compensation, and shall, unless good cause to the contrary is shown, deduct from such compensation all the costs which in its opinion have been caused by the plaintiff bringing the action instead of taking proceedings under this act, and shall enter judgment accordingly.

8. When the injury for which compensation is payable under this act was caused under circumstances creating a legal liability in some person other than the employer to pay damages in respect thereof—

(1) The worker may take proceedings both against that person to recover damages and against any person liable to pay compensation under this act for such compensation, but shall not be entitled to recover both damages and compensation; and

(2) If the worker has recovered compensation under this act, the person by whom the compensation was paid, and any person who has been called on to pay an indemnity under section ten of this act, shall be entitled to be indemnified by the person so liable to pay damages as aforesaid.

9. (1) Proceedings for the recovery of compensation under this act shall not, without the leave of a police magistrate, be maintainable unless—

(a) Notice in writing of the injury is given as soon as practicable, not being later than fourteen days after the happening thereof; and

(b) A claim for compensation in respect of the injury is made in writing within two months after the happening thereof, or in the case of death within six months from the time of death; and

(c) Proceedings to enforce the claim are commenced not less than twenty-eight days nor more than three months after the claim for compensation has been made.

Applications for such leave shall be made and heard in accordance with the regulations, and the leave may be refused or granted either unconditionally or subject to such terms as to costs or otherwise as the police magistrate thinks fit.

Any defect or inaccuracy in the notice shall not be a bar to the maintenance of proceedings if it is found in the proceedings that the employer is not prejudiced in his defence by the defect or inaccuracy, or that the defect or inaccuracy was occasioned by mistake or other reasonable cause.

(2) Notice in respect of an injury under this act shall give the name and address of the person injured, and shall state in ordinary language the cause of the injury where known and the date on which it was sustained, and the notice and claim shall be served on the employer.

(3) The notice or claim may be served by delivering the same to or at the residence or place of business of the person on whom it is to be served, or may be sent by post by a letter addressed to such person at his last known place of residence or place of business.

(4) If there is more than one employer, service on one shall be deemed sufficient.

(5) A notice or claim served by post shall be deemed to have been served at the time when the letter containing the same would have been delivered in the ordinary course of post. In proving the service of such notice or claim, it shall be sufficient to prove that the notice or claim was properly addressed and posted.

(6) Where the employer is a body of persons, corporate or unincorporate, the notice or claim may also be served by delivering the same at or by sending it by post in a letter, addressed to the employer at the office, or, if there is more than one office, any one of the offices of such body.

(7) Where the employer is the Government of Queensland, the notice shall be served on the crown solicitor at Brisbane or Townsville, as the case may be, or on the manager for the time being of the work upon which the worker is employed.

10. In any case where any person (hereinafter called the "principal") contracts with any other person (hereinafter called the "contractor") for the execution of any work by or under the contractor, and the contractor employs any worker thereon, the following provisions shall apply:—

(1) Both the principal and the contractor shall be deemed to be employers of the worker, and shall be jointly and severally liable to pay to the worker any compensation which the contractor if he were the sole employer would be liable to pay under this act;

(2) The principal shall be entitled to be indemnified by the contractor against the principal's liability under this section;

(3) The principal shall not be liable under this section except in cases where the work to be executed under the contract, and in which the worker is employed, is directly a part of or a process in the trade or business of the principal;

Provided that his liability shall be presumed until the contrary is shown;

(4) In the case of subcontracts, the expression "principal" shall extend to and include not only the original principal, but also each contractor who constitutes himself a principal with respect to a subcontractor by contracting with him for the execution by him of the whole or any part of the work; and the expression "contractor" shall extend to and include not only the original contractor, but also each subcontractor:

Provided that each principal's right of indemnity shall be a right over against every contractor standing between him and the contractor by whom the worker was employed at the time when the accident occurred, and including such last-mentioned contractor.

(5) The mode in which any right of indemnification arising under this act may be enforced may be prescribed by regulations.

11. Where any employer becomes liable under this act to pay compensation in respect of any injury, and is entitled to any sum from insurers in respect of the amount due under such liability to a worker, then in the event of the employer becoming insolvent or making a composition or arrangement with his creditors, or, if the employer is a company, of the company having commenced to be wound up, such worker shall have a first charge upon the sum aforesaid for the amount so due. The mode in which such charge may be enforced may be prescribed by regulations.

12. (1) If the governor in council, after taking steps to ascertain the views of the employer and workmen, certifies that any scheme of compensation, benefit, or insurance for the workmen of an employer in any employment, whether or not such scheme includes other employees and their workmen, is on the whole not less favorable to the general body of workmen and their dependants than the provisions of this act, the employer may, until the certificate is revoked, contract with any of those workmen that the provisions of the scheme shall be substituted for the provisions of this act, and thereupon the employer shall be liable only in accordance with the scheme.

But, save as aforesaid, this act shall apply, notwithstanding any contract to the contrary made after the commencement of this act.

(2) The governor in council may give a certificate to expire at the end of a limited period not less than five years.

(3) No scheme shall be so certified which contains an obligation upon the workmen to join the scheme as a condition of their hiring.

(4) If complaint is made to the governor in council by or on behalf of the workmen of any employer that—

(i) The provisions of any scheme are no longer on the whole so favorable to the general body of workmen of such employer and their dependants as the provisions of this act; or

(ii) The provisions of such scheme are being violated; or

(iii) The scheme is not being fairly administered; or

(iv) Satisfactory reasons exist for revoking the certificate; the governor in council, if satisfied that good cause exists for such complaint, shall, unless the cause of complaint is removed, revoke the certificate.

(5) When a certificate is revoked or expires, any moneys or securities held for the purpose of the scheme shall be distributed as may be arranged between the employer and workmen, or as may be determined by the governor in council in the event of a difference of opinion.

(6) Whenever a scheme has been certified as aforesaid, it shall be the duty of the employer to answer all such inquiries and to furnish all such accounts in regard to the scheme as may be made or required by the governor in council.

13. Any contract existing at the commencement of this act whereby a worker relinquishes any right to compensation from the employer for personal injury by accident arising out of and in the course of his employment shall on the commencement of this act be determined.

14. From and after the commencement of this act, it shall not be lawful for any employer or any person on his behalf, or for any insurance company or any person on its behalf, to directly or indirectly take or receive any money from any worker, whether by way of deduction from wages or otherwise howsoever, in respect of any liability of an employer to pay compensation under this act or damages independently of this act.

All money so taken or received as aforesaid from any worker, whether with the consent of such worker or not, may by him be recovered back as a debt from the employer, company, or person who took or received it.

15. The governor in council may from time to time make all such regulations as he deems necessary in order to give full effect to the provisions and intention of this act.

Regulations made in pursuance of this act shall be published in the Gazette, and shall thereupon have the same effect as if they were enacted in this act, and their validity shall not be questioned in or by any court.

Any regulations made in pursuance of this act shall be laid before both Houses of Parliament.

If either House of Parliament, within the next forty days after any regulations have been so laid before such House, resolves that such regulations or any of them ought to be annulled, the same shall, after the date of such resolution, be of no effect.

#### SCHEDULE.

##### *Scale and conditions of compensation.*

1. The amount of compensation under this act shall be—

(A) Where death results from the injury—

(i) If the worker leaves any dependants wholly dependent upon his earnings at the time of his death, a sum equal to his earnings in the employment of the same employer during the three years next preceding the injury, or the sum of two hundred pounds [\$973.30], whichever of those sums is the larger, but not exceeding in any case four hundred pounds [\$1,946.60], provided that the amount of any weekly payments made under this act shall be deducted from such sum; and if the period of the worker's employment under the said employer has been less than the said three years, then the amount of his earnings during the said three years shall be deemed to be one hundred and fifty-six times his average weekly earnings during the period of his actual employment under the said employer:

(ii) If the worker does not leave any such dependants, but leaves any dependants in part dependent upon his earnings at the time of his death, such sum, not exceeding in any case the amount payable under the foregoing provisions, as may be agreed upon, or, in default of agreement, may be determined, by a police magistrate under this act, to be reasonable and proportionate to the injury to the said dependants; and

(iii) If he leaves no dependants, the reasonable expenses of his medical attendance and burial not exceeding thirty pounds [\$146]: Provided the same are not payable by a lodge or other provident society.

(B) (i) Where total or partial incapacity for work results from the injury, a weekly payment during the incapacity after the second week not exceeding fifty per centum of his average weekly earnings during the previous twelve months, if he has been so long employed, but if not, then for any less period during which he has been in the employment of the same employer, but such weekly payment shall not exceed one pound [\$4.87], and the total liability of the employer in respect thereof shall not exceed four hundred pounds [\$1,946.60]:

Provided that—

(a) In the case of a worker whom his employer has reasonable cause to believe to be over sixty years of age, and who has entered into an agreement in writing with his employer as to the maximum amount of compensation to be payable to him under this act in respect of accidents happening after the date of the agreement, the compensation shall not exceed that maximum, but the maximum shall not be less—

(i) Where death results from the injury, and the worker leaves any dependants, than fifty pounds [\$243.33];

(ii) Where total or partial incapacity for work results from the injury, than a weekly payment during the incapacity after the second week of five shillings [\$1.22], and a total liability of fifty pounds [\$243.33];

(b) In the case of a workman who has, in accordance with the regulations, obtained from a medical referee a certificate to the effect that his age or any physical or mental infirmity or incapacity from which he is suffering is such as to render him specially liable to accident, or to render the result of an accident to him specially serious, and who has entered into an agreement in writing with his employer as to the maximum amount of compensation to be payable to him under this act in respect of accidents happening after the date of the agreement, the compensation shall not exceed that maximum, but the maximum shall not be less—

(i) Where death results from the injury, and the worker leaves any dependants, than twenty-five pounds [\$121.67] or a sum equivalent to thirty-nine times his average weekly earnings, whichever is the larger;

(ii) Where total or partial incapacity for work results from the injury, than a weekly payment during the incapacity after the second week of five shillings [\$1.22] or one-quarter of his average weekly earnings, whichever is the larger, and a total liability of fifty pounds [\$243.33];

(c) As respects the weekly payment during total incapacity to a worker who is under twenty-one years of age at the date of the injury, and whose average weekly earnings are less than twenty shillings [\$4.87], one hundred per centum shall be substituted for fifty per centum of his average weekly earnings, but the weekly payment shall in no case exceed ten shillings [\$2.43].

2. In calculating "average weekly earnings" for the purposes of this schedule,—

(a) Where the employer has been accustomed to pay to the worker a sum to cover any special expenses entailed on him by the nature of his employment, the sum so paid shall not be reckoned as part of the earnings; and

(b) Where a worker has not been exclusively employed by one employer for the period of four weeks immediately preceding the injury, regard may be had to the estimated amount of the sum which, taking one week with another, was being earned previously to the injury by a person in the same grade employed in the same class of employment and in the same district.

3. In fixing the amount of the weekly payment, regard shall be had to any payment not being wages which the worker may receive from the employer in respect of his injury during the period of his incapacity, and in the case of partial incapacity the weekly payment shall in no case exceed one-half of the difference between the amount of the average weekly earnings of the worker before the accident and the average weekly amount which he is earning or is able to earn in some suitable employment or business after the accident.

4. Where a worker has given notice of an accident he shall, if so required by the employer, submit himself for examination by a duly qualified medical practitioner provided and paid by the employer; and if he refuses to submit himself to such examination, or in any way obstructs the same, his right to compensation, and any proceeding under this act in relation to compensation, shall be suspended until such examination takes place.

5. The payment shall, in case of death, be made to the legal personal representative of the worker, or, if he has no legal personal representative, to or for the benefit of his dependants, or, if he leaves no dependants, to the person to whom the expenses are due; and, if made to the legal personal representative, shall be paid by him to or for the benefit of the dependants or other persons entitled thereto under this act.

6. Any question as to who is a dependant or as to the amount payable to each dependant shall, in default of agreement, be settled by a police magistrate under this act.

7. The sum allotted as compensation to a dependant may be invested or otherwise applied for the benefit of the person entitled thereto as agreed, or, in default of agreement, as ordered by the police magistrate.

8. Where it appears to a police magistrate, or any information which the police magistrate considers sufficient, that a widow to whom any sum is payable under this act, whether by way of an annuity or as installments or otherwise, ought on account of her remarriage, or on account of drunkenness, neglect of children, or other sufficient misconduct on her part, to be deprived of the whole or any part of any such sums, or that the terms on which, or the manner in which, any such sums are payable to the widow ought to be varied, the police magistrate may order such deprivation or variation, and may, on application being made in accordance with the regulations, make such further order, for the payment of the sums of which the widow has been deprived to or for the benefit of other dependants or of the employer, as in the circumstances of the case the police magistrate may think just.



9. Any worker receiving weekly payments under this act shall, if so required by the employer, from time to time submit himself for examination by a duly qualified medical practitioner provided and paid by the employer. If the worker refuses to submit himself to such examination, or in any way obstructs the same, his right to such weekly payments shall be suspended until such examination has taken place.

10. A worker shall not be required to submit himself for examination by a medical practitioner under paragraph four or paragraph nine of this schedule, otherwise than in accordance with the regulations; and where he has so submitted himself for examination, he shall not, without the leave of the police magistrate, be again required to so submit himself until after the expiration of one month after the previous examination.

Where a worker has so submitted himself for examination by a medical practitioner, and the employer has, within six days after such examination, furnished the worker with a copy of the report of that practitioner as to his condition, then, in the event of no agreement being come to between the employer and the worker as to the worker's condition or fitness for employment, the police magistrate—

(a) In the case of a submission for examination under paragraph four of this schedule, on application being made to the police magistrate by the employer, and on payment by him of such fee as may be fixed, not exceeding the limit prescribed by the regulations, may; and

(b) In the case of a submission for examination under paragraph nine of this schedule, on application being made to the police magistrate by either party, and on payment by such party of such fee as may be fixed, not exceeding the limit prescribed by the regulations, shall refer the matter to a medical referee.

The medical referee to whom the matter is so referred shall, in accordance with the regulations, give a certificate as to the condition of the worker and his fitness for employment, specifying, where necessary, the kind of employment for which he is fit; and that certificate shall be conclusive evidence as to the matter so certified.

If a worker, on being required so to do, refuses to submit himself for examination by a medical referee to whom the matter has been so referred as aforesaid, or in any way obstructs the same, his right to compensation and any proceeding under this act in relation to compensation, or in the case of a worker in receipt of a weekly payment his right to that weekly payment, shall be suspended until such examination has taken place.

The regulations may prescribe the manner in which documents are to be furnished or served and applications made under this paragraph, and the forms to be used for those purposes, and as to the fee to be paid under this paragraph.

11. Any weekly payment may be reviewed by a police magistrate at the request either of the employer or of the worker, and on such review may be ended, diminished, or increased, subject to the maximum above provided:

Provided that where the worker was at the date of the accident under twenty-one years of age, and the review takes place more than twelve months after the accident, the amount of the weekly payment may be increased to any amount not exceeding fifty per centum of the weekly sum which the worker would probably have been earning at the date of the review if he had remained uninjured, but not in any case exceeding one pound [\$4.87].

12. Where any weekly payment has been continued for not less than three months, the liability therefor may, on the application by or on behalf of the employer, be redeemed by the payment of a lump sum to be agreed on by the parties, or, in default of agreement, to be determined by a police magistrate under this act; and such lump sum may be ordered by the police magistrate to be invested or otherwise applied for the benefit of the person entitled thereto.

13. If a worker receiving weekly payment ceases to reside in the Commonwealth he shall thereupon cease to be entitled to receive any weekly payment, but if he proves that the incapacity resulting from the injury is of a permanent nature he shall be entitled to a lump sum not exceeding one hundred and fifty-six times the amount of weekly payment less all payments theretofore paid. Any question arising under this paragraph shall, in default of agreement, be determined by a police magistrate.

14. No money paid or payable in respect of compensation under this act shall be capable of being assigned, charged, taken in execution, or attached, nor shall the same pass to any other person by operation of law, nor shall any claim be set off against the same.

15. When payment of any moneys under this act is made to any person under twenty-one years of age, whether such person claims as a worker, dependant, or legal personal representative, the receipt of such person therefor shall be a good and valid discharge in law; and such person (notwithstanding minority) may, with the approval of a police magistrate, elect to claim compensation under this act, and may agree upon the amount of compensation payable.

## **RUSSIA.**

### **LAW OF JUNE 2 (15), 1903, CONCERNING COMPENSATION FOR ACCIDENTS TO INJURED WORKMEN AND EMPLOYEES, AS WELL AS TO THE MEMBERS OF THEIR FAMILIES, IN FACTORIES, MINING AND METALLURGICAL ESTABLISHMENTS.<sup>(a)</sup>**

**ARTICLE 1.** In case of accidents occurring in factories, mining and metallurgical establishments, (Industrial Code, articles 1 and 2, Mining Code, articles 1 and 2), the owners of such establishments are obliged to compensate the workmen, without regard to sex or age, in accordance with the present law, for incapacity for work lasting more than three days, due to bodily injury caused by reason of the work or as a result of the same. If the accident under the same conditions results in death (article 11) the compensation accrues to such members of his family as are designated in article 12.

**ART. 2.** The owner of the establishment shall be released from this obligation to pay compensation to the workmen and members of their families (article 1) only in such cases where it can be proven that the accident was due to malicious intent of the injured person, or such gross negligence of his as was not warranted by the conditions surrounding the performance of the work.

**ART. 3.** The owner of the establishment shall compensate the injured workman and the members of his family in accordance with the present law even when the work, in the performance of which the accident happened, while constituting part of the productive activity of the establishment had been contracted to a third person. An order for work contracted for with another independent establishment (article 1) shall not be considered as a contract.

**ART. 4.** All agreements entered into prior to the occurrence of the accident, with a view of limiting the right to compensation, or its amount, shall be considered null and void.

**ART. 5.** Compensation to the injured (article 1) shall be paid in the form of subsidies and pensions.

**ART. 6.** Subsidies to the amount equal to one-half the actual earnings of the injured (article 5) shall be granted from the day of the accident until the return of the capacity for work, or until the disability has been recognized to be permanent (article 26).

**ART. 7.** Pensions (article 5) shall be granted in cases of permanent disability for work: In cases of total disability, to the extent of two-thirds of the annual earnings of the injured (article 16); in cases of partial disability, to the decreased amount determined according to the degree of the reduction of the capacity for work of the injured person (article 26).

**ART. 8.** The payment of the pension shall begin on the day when the subsidies cease. In cases where the amount of the pension exceeds that of the subsidy, the injured person shall receive in a lump sum, in addition to the pension, the difference between the subsidy and the pension from the day of the accident until the cessation of the subsidy.

**ART. 9.** The pensions of injured children and young persons, when the children reach the age of young persons and the latter reach the age of adult<sup>(b)</sup> workmen, shall be increased in accordance with the increase of the average daily earnings of the laborer in the designated age groups (article 18).

**ART. 10.** In addition to the compensation as specified in article 5, the employer, in case he fails to supply free medical aid to the injured person, shall be obliged to remit to the latter the expenses of treatment until final cure or cessation of treatment. The amount of remittance is based on the cost of treatment, as charged by the local hospitals (governmental, municipal or rural).

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<sup>a</sup> Published in the *Sobranie Uzakonenii i Rasporiazhenii Pravitelstva*, August 2 (15), 1903. No. 81, p. 912.

<sup>b</sup> For the definition of "children," "young persons," and "adults," see article 18.



ART. 11. In case of the death of the injured person (article 1), either directly following the accident or occurring during the treatment of the bodily injury, or not later than within two years after the accident, if treatment had ceased before that time, the owner of the establishment is obliged— (a) To pay the funeral expenses of the deceased person, the sum of 30 rubles [\$15.45] for an adult or for a young person, and 15 rubles [\$7.73] for a child, and (b) to grant pensions to such members of the family of the deceased as are specified in article 12.

ART. 12. Pensions to the members of the family shall be granted to the amount of the following proportions of the annual earnings of the deceased workman (article 16): (a) To the widow, one-third for life; (b) to each of the children of either sex—legitimate, legitimized, adopted, or extra-marital, as well as wards and naturalized children, (Law of Civil Status, article 570, note)—until they complete their 15th year, an amount equal to one-sixth of the earnings while either of the parents survives, and one-fourth if the children become orphaned; (c) to each relative in a direct ascendant line a life pension, equal to one-sixth; (d) to each orphan brother and sister up to the completion of their 15th year, one-sixth. To persons designated in (c) and (d) of this article, and also to bastard children, the pensions, after their father's death, shall be paid only in case they depended upon the deceased for support.

ART. 13. In case the widow (article 12, a) remarries the life pension due her shall be replaced by a single lump payment of a sum equal to three times the amount of her annual pension.

ART. 14. Children, adopted children, and wards (article 12, a) in case of death of both parents, which took place under the conditions specified in articles 1 and 11, shall receive the sum total of all the pensions accruing to them because of the death of either of the parents.

ART. 15. The entire amount of pensions accruing to all the members of the deceased workman's family, as enumerated in article 12, shall not exceed two-thirds of his annual earnings (article 16). If the entire amount of the compensation exceeds the above limit, then the persons specified in (a) and (b) of article 12, shall have a preferred right for full settlement, while the relatives mentioned in (c) and (d) of article 12, shall receive the remainder, if such there be, to be shared by them in equal parts. If the above-defined limit be exceeded by the sum of pensions accruing only to the persons enumerated in (a) and (b) of article 12, then these pensions shall be reduced accordingly. A change in the composition of the family of the deceased, except by the birth of posthumous legal children shall not be considered a ground for changing the respective amounts of pensions as already fixed for the members of the family.

ART. 16. The annual earnings of the injured shall be computed on the following basis: (a) The sum actually earned by the injured during the year preceding the day of the accident, less the value of material and instruments, if such had been given to the injured according to the contract as a part of the wages, shall be divided by the number of days that the injured was actually at work during that year, and in case he had been at work less than a year, then by the number of days corresponding to this shorter period, and (b) the amount of the average daily wage obtained according to the method indicated in (a) shall be multiplied by 260 in establishments running the entire year, and in those establishments that run only part of the year by the number of actual working days customary in that establishment; but in such case to the latter sum there shall also be added the amount received by multiplying the average daily earning of an unskilled laborer (article 18) by the difference between 260 and the customary number of working days in that establishment. If the injured person was also paid in kind, then to the sum computed, as specified in provisions (a) and (b) of the present article, there shall be added 20 per cent of this amount for lodging, and for table board or victuals an amount representing its actual cost. The annual earnings of the workman, as computed according to the method prescribed in the present article, shall be not less than the amount obtained by multiplying the average daily wage of an unskilled laborer by 260.

ART. 17. If the actual ordinary annual earnings of the injured person are proved to exceed the computed annual earnings (article 16) then the latter should be increased so as to equal the actual ordinary annual earnings. If the injured person received no remuneration for his work then his annual income is computed as equal to the sum obtained by multiplying the average daily wage of an unskilled laborer (article 18) by 260.

ART. 18. The average daily wage of an unskilled laborer in industrial establishments, referred to in articles 9, 16 and 17 of this law, shall be determined triennially in accordance with local conditions, separately for both sexes, and for the three age groups (children, from 12 to 15 years of age; young persons, from 15 to 17 years; and adults, over 17 years) by the factory and mining commissions or by the mining commissions, and shall be published for general information in the local, provincial, territorial, and

police bulletins. The above mentioned commissions shall have the right to establish the standard of wages, in accordance with local conditions, either for an entire province (territory) or for separate minor civil divisions or industrial localities.

ART. 19. By mutual agreement of both parties the pensions of the injured as well as of their families may be substituted by payments of a single lump sum computed on the following basis: (a) The annual pension payments due to the injured and to the members of their families, enumerated in (a) and (b), article 12, shall be multiplied by 10, whereat the pension payments of injured children and of young persons shall be considered equal to what would be due them at the time of reaching the age of adult workmen, (article 9); (b) the annual pension payments of persons enumerated in (c) and (d), article 12, shall be multiplied by the number of years during which they would have been entitled to pensions, but by no more than 10, and (c) all payments remitted as part of the pension up to the settlement of a lump sum payment, but altogether not exceeding one-third the sum as determined by (a) and (b) of the present article, shall be subtracted from the latter.

ART. 20. Notice of every accident covered by the provisions of this law shall be given immediately by the person in charge of the establishment or by the owner, to the nearest police authorities, and simultaneously also to the proper factory inspector or circuit engineer on a blank specially provided therefor by the Central Factory and Mining Commission. The injured may demand that the police and factory inspector and the circuit engineer be notified of every case of physical injury, even though not covered by the present law.

ART. 21. Immediately on the receipt of such notice, as provided for in article 20, the police shall draw up a report at the place of the accident, in the presence of the manager of the establishment or of the owner, of the injured (if he is able to be present), of a physician, or in his absence of a medical assistant (feldsher), of workmen who witnessed the accident, and, if possible, of an outsider who is an expert in the kind of work in which the injury occurred. The absence of any one of the enumerated persons shall not delay the making of the official report.

ART. 22. The official report (article 21) shall state: (a) The place and time of the accident; (b) the names of the injured persons and the nature of their work; (c) the names of the witnesses of the accident and their residences; (d) the name of the owner of the establishment; (e) the description of the circumstances accompanying the accident according to local investigation and the testimony of the witnesses; (f) the nature of the physical injury; and (g) information required by article 24, if a physician be present when the report is drawn up.

ART. 23. The report shall then be read in presence of all those persons who were present when it was made up, and signed by all of them; such persons as are empowered to do so may sign for illiterates.

ART. 24. In case the report was drawn up in the absence of a physician, the manager of the establishment or its owner shall have a physician make a medical examination within four days after the report is made, and in case of death a physician shall be called in immediately. The physician's certificate concerning the physical injuries must contain the following data: (a) A description of the physical injury and of the state of health of the injured person; and (b) a statement about the probable degree of disability in the future. Certificates of death of the injured person shall contain an opinion as to whether it was due to the accident.

ART. 25. The report (article 22) and the medical certificate (article 24) shall be made out in duplicate, one copy of which shall be delivered to the manager of the establishment or to the owner, and the other to the injured person, or to a member of his family.

ART. 26. The restoration of ability for work (article 6), the permanent character of the disability (articles 6 and 7) and the degree of impairment of this ability (article 7), the recovery from the physical injury and the time of cessation of medical treatment, as well as the causation of the death of the injured person (articles 11 and 24) by the accident shall be attested to by medical certificates.

ART. 27. Upon demand of either party medical certificates (article 26) must be furnished for the purpose of certifying to temporary disability or to the probable degree of permanent disability for work.

ART. 28. Either party shall be authorized to summon the county, city, or police physician for the making out of the medical certificates as per articles 24, 26 and 27.

ART. 29. Every case of death and physical injury (article 1) occurring in any establishment shall be entered in a special book, with specifications as to the conform-  
ance with the obligations for compensation of the injured persons and their families. With this book there shall also be preserved all the necessary documents, including the original official reports and medical certificates (articles 22, 24, and 25). The above book shall be kept in accordance with a form provided for by the Central Factory and Mining Commission, and shall be accessible on demand, to the proper fac-

tory inspector or circuit engineer. In case of liquidation of the establishment the book with all the necessary documents shall pass into the charge of the proper factory inspector or circuit engineer.

ART. 30. The manager of the establishment or the owner who fails to comply with the requirements of articles 20, 24 and 29, or to properly keep the book mentioned in article 29, or who fails to give the proper information to the factory inspector or to the circuit engineer, shall be subjected, in accordance with the rules of the factory and mining commissions, or of the mining commissions, to a fine of from 25 to 100 rubles [\$12.88 to \$51.50], which shall be turned into special funds in accordance with article 155 of the Industrial Code (1895) and article 736 of the Mining Code (1902).

ART. 31. The injured workmen and the members of their families (article 1) shall have the right to enter into agreements with the owner of the establishment as to the form and amount of the compensation due to them. Such agreement shall be in writing, signed by both parties or by their attorneys, and shall be certified to by the proper factory inspector or circuit engineer, who must refuse to sign the agreement if, in his opinion, it evidently does not conform to the essential requirements of this law (article 34). The certified agreement shall be considered equal to a voluntary settlement in court. The original approved agreement shall be kept by the factory inspector or the circuit engineer, while the interested parties shall receive copies certified by the above officials.

ART. 32. In case of failure of an amicable settlement between the interested parties as specified by article 31, either of them shall have the right to present an oral or written request to the proper factory inspector or circuit engineer to explain to both parties their rights and duties in accordance with the present law and the circumstances of the case.

ART. 33. The factory inspectors and the circuit engineers shall have the right, in cases enumerated in articles 31 and 32, to gather all the necessary information, to demand of either party that the same be furnished, and to call, in case of necessity, upon the county, city, or police physician for a medical examination of the injured.

ART. 34. In case an agreement between the two parties shall be effected while the case is being examined into by the factory inspector or the circuit engineer, then it shall be certified to by these officials in the manner indicated by article 31; if no such agreement is reached, or in case the agreement effected is not certified to, the respective officials shall make a report in which shall be stated (a) the time when the request by either party was presented, (b) the time, place, and circumstances of the accident, (c) whether or not the death was due to the accident, the kind of the physical injury, and also the admitted degree of disability (article 26), (d) the demands of the party seeking compensation and the offer of the owner of the establishment, and (e) the opinion as to the rights of the injured person for compensation and the amount of such compensation as based on the present law, and the circumstances of the case. Duplicate copies of the report shall be issued to both parties, certified by the officials who prepared it.

ART. 35. For the purpose of effecting the agreements specified in articles 31 and 34, and also for bringing the case before a court, there shall be appointed special guardians for minors whose parents, guardians, or trustees do not live in the locality of the factory, the appointments to be made by the proper county magistrate (zemski nachalnik), city judge, or justice of the peace, and in the Provinces of Poland by the communal judge (gminny sudia). The factory inspector or the circuit engineer may, if they find it necessary, at the request of the minor or on the application of the respective county magistrate or of the judge, furnish these officials with the names of persons who could be appointed temporary guardians or trustees in cases specified in this article.

ART. 36. Claims for compensation may be presented within a period of two years, computed for the injured person from the day of the accident, and as regards the members of his family, from the date of the death of the injured person.

ART. 37. In the application of this time limitation designated for the presentation of claims for compensation (article 36) shall not be included the time elapsing from the day when either party applies for the same to the factory inspector or to the circuit engineer (article 32) until the day when a copy of the report specified in article 34 is handed to the party demanding compensation.

ART. 38. In case the owner of the establishment and the injured person, or, in case of the death of the injured person, the members of his family, enter into an agreement concerning the compensation, or some other way of furnishing a livelihood, whether oral or written, but not certified in the manner specified by article 31, then such an agreement shall not deprive the injured or the members of the family of the deceased workman of the right to demand compensation by virtue of the present law. The entire time when such an agreement is being complied with by the owner of the

establishment, shall not be included in the computation of the time limitation, established for entering claims for compensation (article 36).

ART. 39. Suits for compensation shall be presented against the owners of the establishment. The plaintiff may decide as to whether the claim shall be presented in the locality where the accident occurred, or at the place of residence of the defendant or the place of his office or the general offices of the establishment.

ART. 40. The plaintiff shall forfeit his right to claim court fees and expenses from the defendant: (a) If prior to entering his suit in court he did not apply to the factory inspector or to the circuit engineer in accordance with article 32, or if he enters suit without waiting for the issuance of the report by the officials as specified in article 34; and (b) in case the judgment rendered to the plaintiff by the court does not exceed the amount which was offered by the defendant during the proceedings before the above-mentioned officials (article 34 d).

ART. 41. Any agreements with the attorneys in the case as to payment for their services in suits entered in accordance with the present law, to exceed the schedule fees (Law of Judicial Institutions, article 396, note, Appendix VII) are hereby prohibited, and all such agreements as well as any notes given for payment of such remuneration in excess of the schedule fees, shall be null and void.

ART. 42. Subsidies shall be remitted at periods fixed at the establishment for the payment of wages to the workmen. The time for the remittance of pensions to the injured persons, as well as to the members of their families (articles 7 and 12), shall be mutually agreed upon by both parties, and in the absence of such an agreement, pension must be remitted every month in advance.

ART. 43. At the request of persons receiving the pensions the owner of the establishment must transfer to the address indicated and at their cost the payments due them at specified periods (article 42).

The pensioners shall present twice yearly, in January and July, to the owner of the establishment or to the person in charge of the same, certificates to the effect that they are still living; and in the certificates presented by widows it shall be stated that they have not remarried. These certificates shall be issued by the police, by the county magistrates or other corresponding officials, or by the Board of Township Supervisors (Volostnoye Pravlenie) or other corresponding authorities. If the pensioners fail to present the certificates the owner of the establishment shall have the right to suspend the payments.

ART. 44. In case of failure to meet the compensation when due the owner of the establishment shall pay for the delayed payments an additional sum equal to 1 per cent interest per month on each payment delayed, part of a month being considered as a whole month, and in case of payments being delayed for over six months, he shall guarantee the regular payments due from him in the manner specified in article 46.

ART. 45. During the three years from the day when the pension was approved or refused either of the parties shall have the right to demand a medical reexamination of the injured person, so as to determine his ability for work, with the view of modifying the pension agreed upon or awarded, or its refusal, in accordance with the newly discovered circumstances. No change shall be permitted in the amount of the single payment of a lump sum (article 19).

ART. 46. In case of a voluntary cessation of business the owner of the establishment shall be obliged to guarantee the regular payment of the compensation due from him to the injured workmen, or to the members of their families, by purchasing annuities corresponding to these pensions from one of the insurance companies or institutions operating in Russia, or by depositing in one of the state credit institutions sufficient capital to meet the indebtedness of the above-designated payments, in the form of State bonds or bonds guaranteed by the Government. Out of the deposited capital and the interest drawn thereon the above payments are to be met in preference to any other indebtedness of the employer. The owner of the establishment shall have the right to choose either method of security. He shall inform the factory inspector or the circuit engineer as to the cessation of business and his compliance with the above required obligations. When the period of payments has ceased, if the payments have been met by the interest only on the capital or by a part of the latter, or if the entire capital itself should have been but was not for some reason drawn upon to meet the payments, the amount which was deposited in compliance with the second of the designated methods, or the unused portion of it, shall be returned to the depositor or to his beneficiaries.

ART. 47. When the establishment passes to heirs, they shall assume the obligations of the former owner as regards the compensation due to the injured workmen and to the members of the injured workmen's families. In case the establishment is voluntarily transferred, these obligations may be imposed upon the new owner by his written consent. Information about the change of ownership as well as a copy of such



agreement, if such there be, shall be transmitted by the new owner to the respective factory inspector or circuit engineer. In case there had been no agreement to transfer the above obligations to the new owner the former owner shall, at the time of transfer of ownership, secure the persons to whom compensation is due, according to the rules specified in article 46, and when this is effected he shall so inform the respective factory inspector or the circuit engineer.

ART. 48. In case of insolvency, as well as in other cases of compulsory liquidation of business, or of its public auction sale, the institutions or persons who liquidate the business or conduct its sale shall demand of the owner of the establishment and of the respective factory inspectors and circuit engineers all information relating to the obligations of the owner as regards compensation to workmen and to members of workmen's families in accordance with the present law. In this communication regarding pensions the designated officials shall determine the amounts requisite for the insurance of the income of the corresponding pensions. Persons to whom compensation has accrued or is due may submit statements of the sums due them, but in absence of such statements, the orders for guarantee of and compliance with the obligations of the owner of the establishment still remain in force, if information concerning such obligations has been obtained from the owner himself or the factory inspector or the circuit engineer.

ART. 49. Out of the moneys obtained in cases designated by article 48 for meeting the compensation assigned or due to injured workmen and to the members of their families, there shall be set aside, by order of the factory inspector or the circuit engineer, a sum necessary for purchasing the income corresponding to the amount of the pensions, or, in case of insufficiency of the means obtained, a proportionate sum applicable for the security of the above pensions after satisfying the claims which legally take precedence over the above pensions.

ART. 50. The respective factory inspector or the circuit engineer shall be notified of the amount available, from the sum obtained in cases specified in article 48, as security of the pensions of the injured workmen and their families. On the receipt of the above notification, these officials shall inform the institution or person who conducts the liquidation or sale of the establishment as to the various insurance societies or companies doing business in Russia to whom the above-mentioned sums should be transferred for the guarantee of the regular payments of the pensions, or of correspondingly reduced incomes when the amount available is insufficient for the full payment of the pensions, provided in the latter case the beneficiaries agree. All sums due to the injured workmen, other than those transferred to insurance companies or societies, shall be paid directly to them.

ART. 51. The present regulations (articles 1-50) shall also be applicable for compensation of employers who are obliged to be present during the performance of the work, (technicians, foremen, managers of establishments, etc.), if their annual remuneration does not exceed 1,500 rubles [\$772.50]. As a part of this salary shall also be considered the share of the employee in the profits of the establishment, if such profit-sharing was in force and was counted as a remuneration in addition to the regular salary.

ART. 52. The owners of establishments who insure their workmen and employees in the insurance companies and institutions operating in Russia against the consequences of accidents, on conditions no less favorable for the injured persons and the members of their families than those provided for by the present law, shall be released from the obligations imposed on them by said law. These obligations shall be transferred to these companies and institutions and actions for compliance with such obligations shall be had against these latter (article 39).

ART. 53. The pensions, subsidies, and other payments granted in compliance with the present law, shall not be reverted to payment of state or private claims, due from the workmen or employees compensated and their families. The right of compensation is not subject to mortgage, seizure, or assignment in any shape or manner whatsoever.

## **SOUTH AUSTRALIA.**

### **WORKMEN'S COMPENSATION ACT, 1900.(a)**

1. This act may be cited as "The Workmen's Compensation Act, 1900."

2. In this act—

"Dependants" means the wife, husband, parent, grandparent, child, grandchild, and stepchild of a workman wholly or in part dependent upon his earnings at the time of his death:

"Employer" includes any body of persons corporate or unincorporate, and the legal personal representative of a deceased employer:

"Engineering work" means any work of construction or alteration or repair of a railroad, harbor, dock, canal, sewer, or tunnel, telegraph, telephone, or electric power, and includes any other work for the construction, alteration, or repair of which machinery driven by steam, water, or other mechanical power is used:

"Factory" means any manufactory, workshop, workroom, or premises wherein or whereon manual labor is exercised for the purpose of gain in or incidental to the making, altering, or repairing any article by way of trade or for purpose of gain for sale, and includes any ship or boat in port, dock, wharf, quay, or warehouse, so far as relates to machinery and plant used in the process of loading or unloading therefrom or thereto, and every laundry worked by steam, water, or other mechanical power:

"Injury" means personal injury or loss of life by accident arising out of and in course of employment or injury to health or loss of life arising out of or consequent upon any employment declared by proclamation to be dangerous to health or dangerous to life or limb: Provided that no such proclamation shall issue except on addresses of both Houses of Parliament:

"Proclamation" means proclamation by the governor in the Government Gazette:

"Workman" includes every person who is engaged in an employment to which this act applies, whether by way of manual labor or otherwise, and whether his agreement is one of service or apprenticeship or otherwise, and is expressed or implied, is oral or in writing, and includes seaman and the personal representative and the dependants of a deceased workman.

3. This act applies only to injuries to workmen employed by employers—

(i) On or in or about a railway, waterwork, tramway, electric-lighting work, factory, mine, quarry, or engineering or building work:

(ii) On or in or about any employment declared by proclamation to be dangerous or injurious to health or dangerous to life or limb: Provided that no such proclamation shall issue except pursuant to addresses from both Houses of Parliament.

4. When personal injury arising out of and in the course of his employment is caused to a workman his employer shall be liable to pay compensation, except in the following cases—

(a) When the injury is attributable to the serious and wilful misconduct of the workman injured, and to no other cause; or

(b) When the workman is not disabled for at least one week from earning full wages at the work in which he was employed.

5. The compensation for which an employer shall be liable pursuant to the preceding section shall be subject to the scale and conditions in the first schedule.

6. (1) Where personal injury is caused to a workman by the personal negligence or wilful act of his employer, or of some person for whose act or default such employer is responsible, such workman may, at his option, either claim compensation under this act, or take proceedings to recover compensation independently of this act.

(2) No employer shall be liable to pay compensation both under this act and independently of this act.

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<sup>a</sup> Acts of the Parliament of South Australia, 1900. 63, 64 Victoria, No. 739. 1904. 4 Edward VII. No. 857.



7. If in an action to recover compensation for personal injury, independently of this act, brought by a workman against an employer—

(a) In the case of an injury not causing death within six months from the occurrence of the injury:

(b) In case of an injury causing death within six months after the time of death: the court determines that the employer is not liable in such action, the court shall determine whether the employer is liable to pay compensation under this act; and if the court determines that the employer is so liable it shall proceed to assess the compensation under this act, and to give judgment therefor.

The court may deduct from such compensation such amount as it shall think proper for costs caused by the action being brought for compensation independently of this act, instead of proceedings being taken for compensation under this act.

8. (1) Notice of the injury in respect of which it is intended to claim compensation shall be given to the employer as soon as practicable after the occurrence of such injury, or within three months thereafter, and the action must be commenced within six months after the occurrence of the injury, or in case of death within six months after the time of death.

(2) The want of notice, or any defect or inaccuracy in any notice, shall not be a bar to the right to compensation—

(a) If the employer is not seriously prejudiced in his defence; or

(b) If such want, defect, or inaccuracy was occasioned by mistake or other reasonable cause.

(3) The notice shall give the name and address of the person injured, and shall state in ordinary language the cause of the injury and the date on which it was sustained.

(4) The notice may be served by delivering the same to or at the residence or place of business of the person on whom it is to be served, or may be sent by post by a registered letter addressed to such person at his last known place of residence or place of business.

(5) If there is more than one employer, service on one shall be deemed sufficient.

(6) A notice served by post shall be deemed to have been served at the time when the letter containing the same would have been delivered in the ordinary course of post.

(7) Where the employer is a body of persons, corporate or unincorporate, the notice may be served by delivering the same at or by sending it by post in a registered letter, addressed to the employer at the office, or, if there be more than one office, any one of the offices of such body.

9. (1) If the public actuary, after taking steps to ascertain the views of the employer and workmen, certifies that any scheme of compensation or insurance for the workmen in any employment is on the whole, under all the circumstances of the case, not less favorable to the general body of workmen and their dependants than the provisions of this act, the employer may, until the certificate is revoked, contract with any of those workmen that the provisions of the scheme shall be substituted for the provisions of this act, and thereupon the employer shall be liable only in accordance with the scheme, but, save as aforesaid, this act shall apply notwithstanding any contract to the contrary made after the first day of October, one thousand nine hundred.

(2) The public actuary may give a certificate to expire at the end of a limited period not more than five years.

(3) No scheme shall be so certified which contains an obligation upon the workmen to join the scheme as a condition of their hiring.

(4) If complaint is made to the public actuary by or on behalf of the workmen of any employer that the provisions of any scheme are no longer on the whole so favorable to the general body of workmen of such employer and their dependants as the provisions of this act, or that the provisions of such scheme are being violated, or that the scheme is not being fairly administered by the employer, or that satisfactory reasons exist for revoking the certificate, the public actuary shall examine into the complaint, and, if satisfied that good cause exists for such complaint, shall, unless the cause of complaint is removed, revoke the certificate. When a certificate is revoked or expires, any moneys or securities held for the purpose of the scheme shall be distributed as may be arranged between the employer and workmen, or as may be determined by the public actuary in the event of a difference of opinion.

(5) Whenever a scheme has been certified as aforesaid, it shall be the duty of the employer to answer all such inquiries and to furnish all such accounts in regard to the scheme as may be made or required by the public actuary.

(6) The public actuary shall annually report the particulars of his proceedings under this act.

10. Where, in an employment to which this act applies, the undertakers contract with any person for the execution by or under such contractor of any work, and the

undertakers would, if such work were executed by workmen immediately employed by them, be liable to pay compensation under this act to those workmen in respect of any accident arising out of and in the course of their employment, the undertakers shall be liable to pay to any workman employed in the execution of the work any compensation which is payable to the workman (whether under this act, or in respect of personal negligence or wilful act independently of this act) by such contractor, or would be payable if such contractor were an employer to whom this act applies: Provided that the undertakers shall be entitled to be indemnified by any other person who would have been liable independently of this section.

This section shall not apply to any contract with any person for the execution by or under such contractor of any work which is merely auxiliary or incidental to, and is no part of or process in the trade or business carried on by such undertakers respectively.

In this section the word "undertakers" means—(1) In the case of a railway, water-work, tramway, or electric lighting work the person on whose behalf the railway, water-work, tramway, or electric lighting work is being constructed, altered, or repaired, or to whom the same belongs; (2) in the case of a factory, the occupier thereof; (3) in the case of a mine or quarry, the owner thereof; (4) in case of an engineering work, the person undertaking construction, alteration, or repair thereof; (5) in the case of building work, the person undertaking the construction, alteration, repair, or demolition thereof.

11. This act shall apply only to employment by the undertakers hereinbefore defined on, or in or about a railway, factory, mine, quarry, or engineering work, and to employment by the undertakers as hereinbefore defined on or in or about any building which is either being constructed or repaired; or being demolished, or on which machinery driven by steam, water, or other mechanical power is being used for the purpose of the construction, repair, or demolition thereof.

12. Where any employer becomes liable under this act to pay compensation, and is entitled to any sum from insurers in respect of the amount due to a workman under such liability, then, in the event of the employer becoming bankrupt, or making a composition or arrangement with his creditors, or if the employer is a company, of the company having commenced to be wound up, such workman shall have a first charge upon the sum aforesaid for the amount so due, and any special magistrate may direct the insurers to pay such sum into the savings bank in the name of the public trustee, and the same shall be applied in accordance with the provisions of the first schedule hereto.

13. Where the injury for which compensation is payable under this act was caused under circumstances creating a legal liability in some person other than the employer to pay damages in respect thereof, the workman may, at his option, proceed either at law against that person to recover damages, or against his employer for compensation under this act, but not against both, and if compensation be paid under this act, the employer shall be entitled to be indemnified by the said other person.

14. This act shall only apply to workmen engaged in agricultural or pastoral pursuits when steam, water, oil, gas, electricity, compressed air, or other like mechanical power is used in the factory; and this act shall not apply to persons in the naval or military service of the Crown, but otherwise shall apply to any employment by or under the Crown to which this act would apply if the employer were a private person.

15. Any contract existing at the commencement of this act, whereby a workman relinquishes any right to compensation from the employer for injury arising out of and in the course of his employment, shall not for the purposes of this act be deemed to continue after the time at which the workman's contract of service would determine if notice of the determination thereof were given at the commencement of this act.

16. This act shall come into operation on a date to be fixed by proclamation, not earlier than the first day of June, one thousand nine hundred and one.

#### THE FIRST SCHEDULE REFERRED TO.

##### *Scale and conditions of compensation.*

##### SCALE.

- (1) The amount of compensation under this act shall be—
  - (a) Where death results from injury—
    - (i) If the workman leaves any dependants wholly dependent upon his earnings at the time of his death, a sum equal to his earnings in the employment of the same employer during the three years next preceding the injury, or the sum of one hundred and fifty pounds [\$729.98], whichever of those sums is the larger, but not exceeding in any case three hundred pounds [\$1,459.95], provided that the amount of any weekly

payments made under this act shall be deducted from such sum; and if the period of the workman's employment by the said employer has been less than the said three years, then the amount of his earnings during the said three years shall be deemed to be 156 times his average weekly earnings during the period of his actual employment under the said employer:

(ii) If the workman does not leave any such dependants, but leaves any dependants in part dependent upon his earnings at the time of his death, such sum, not exceeding in any case the amount payable under the foregoing provisions, as may be agreed upon, or, in default of agreement, may be determined on arbitration under this act, to be reasonable and proportionate to the injury to the said dependants: and

(iii) If he leaves no dependants, the reasonable expenses of his medical attendance and burial, not exceeding fifty pounds [\$243.33].

(b) Where total or partial incapacity for work results from injury, a weekly payment during the incapacity after the first week not exceeding fifty per centum of his average weekly earnings during the previous twelve months, if he has been so long employed, but if not, then for any less period during which he has been in the employment of the same employer, such weekly payment not to exceed one pound [\$4.87], nor in case of total incapacity to be less than seven shillings and sixpence [\$1.83] per week. Such payments shall not in the aggregate exceed three hundred pounds [\$1,459.95].

(2) In fixing the amount of the weekly payment regard shall be had to the difference between the amount of the average weekly earnings of the workman before the injury and the average amount which he is able to earn after the injury, and to any payment not being wages which he may receive from the employer in respect of his injury during the period of his incapacity.

(3) Where a workman has given notice of injury he shall, if so required by the employer, submit himself for examination by a duly qualified medical practitioner, provided and paid by the employer, and if he refuses to submit himself to such examination, or in any way obstructs the same, his right to compensation and any proceeding under this act in relation to compensation shall be suspended until such examination takes place.

(4) The payment shall, in case of death, be made to the legal personal representative of the workman, or, if he has no legal personal representative, to or for the benefit of his dependants, or, if he leaves no dependants, to the person to whom the expenses are due; and if made to the legal personal representative, shall be paid by him to or for the benefit of the dependants or other person entitled thereto under this act.

(5) Any question as to who is a dependant, or as to the amount payable to each dependant, shall, in default of agreement, be settled by arbitration under this act.

(6) The sum allotted as compensation to a dependant may be invested or otherwise applied for the benefit of the person entitled thereto, as agreed, or as ordered by the committee or other arbitrator.

(7) Any sum which is agreed or is ordered by the committee or arbitrator to be invested may be invested by the public trustee.

(8) Any workman receiving weekly payments under this act shall, if so required by the employer, or by any person by whom the employer is entitled under this act to be indemnified, from time to time submit himself for examination by a duly qualified medical practitioner provided and paid by the employer; but if the workman objects to an examination by that medical practitioner, or is dissatisfied with the certificate of such practitioner upon his condition when communicated to him, he may submit himself for examination to one of the medical practitioners appointed for the purposes of this act, as mentioned in the second schedule hereto, and the certificate of that medical practitioner as to the condition of the workman at the time of the examination shall be given to the employer and workman, and shall be conclusive evidence of that condition. If the workman refuses to submit himself to such examination, or in any way obstructs the same, his right to such weekly payments shall be suspended until such examination has taken place.

(9) Any weekly payment may be reviewed at the request either of the employer or of the workman, and on such review may be ended, diminished, or increased, subject to the maximum above provided, and the amount of payment shall, in default of agreement, be settled by arbitration under this act.

(10) Where any weekly payment has been continued for not less than six months, the liability therefor may, on the application by or on behalf of either the workman or the employer, be redeemed by the payment of a lump sum, not exceeding three hundred pounds [\$1,459.95], to be settled, in default of agreement, by arbitration under this act, and such lump sum may be ordered by the committee or arbitrator to be invested or otherwise applied as above mentioned.

## THE SECOND SCHEDULE REFERRED TO.

*Arbitration.*

The following provisions shall apply for settling any matter which under this act is to be settled by arbitration—

(1) If any committee, representative of an employer and his workmen, exists with power to settle matters under this act in the case of the employer and workmen, the matter shall, unless either party objects, by notice in writing sent to the other party before the committee meet to consider the matter, be settled by the arbitration of such committee, or be referred by them in their discretion to arbitration as hereinafter provided.

(2) If either party so objects, or there is no such committee, or the committee so refers the matter or fails to settle the matter within three months from the date of the claim, the matter shall be settled by a single arbitrator agreed on by the parties, or in the absence of agreement by a special magistrate, according to the procedure prescribed by rules made under this act.

(3) Any arbitrator appointed by special magistrate shall, for the purposes of this act, have all the powers of a local court, and shall be paid out of moneys to be provided by Parliament.

(4) The Arbitration Act, 1891, shall not apply to any arbitration under this act, but an arbitrator may, if he thinks fit, submit any question of law for the decision of a local court of full jurisdiction, and the decision of the court on any question of law, either on such submission or in any case where he himself settles the matter under this act, shall be final; unless within the time and in accordance with the conditions prescribed by rules of the supreme court either party appeals to the supreme court; and the local court or the arbitrator shall, for the purpose of an arbitration under this act, have the same powers of procuring the attendance of witnesses and the production of documents as if the claim for compensation had been made by plaint in a local court.

(5) In any arbitration under this act any party may appear by any person duly appointed in his behalf.

(6) The costs of and incident to the arbitration and proceedings connected therewith shall be in the discretion of the arbitrator. The costs, whether before an arbitrator or in the local court, shall not exceed the limit prescribed by rules of court, and shall be taxed in manner prescribed by those rules.

(7) Where the amount of compensation under this act shall have been ascertained, or any weekly payment varied, or any other matter decided, under this act, either by a committee or by an arbitrator or by agreement, a memorandum thereof shall be sent by the said committee or arbitrator, or by any party interested, to the clerk of the local court for the district in which any person entitled to such compensation resides, who shall, on being satisfied as to its genuineness, record such memorandum in a special register without charge, and thereupon the said memorandum shall for all purposes be enforceable as a local court judgment: Provided, That a special magistrate may at any time rectify such register.

(8) Where any matter under this act is to be done in a local court, or by, to, or before the special magistrate, then, unless the contrary intention appear, the same shall, subject to rules of court, be done in, or by, to, or before the special magistrate of the local court of the district in which all the parties concerned reside, or if they reside in different districts, the district in which the injury out of which the matter arose occurred, without prejudice to any transfer in manner provided by rules of court.

(9) The duty of a special magistrate under this act, or of an arbitrator appointed by him, shall, subject to rules of court, be part of the duties of the local court, and the officers of the court shall act accordingly, and rules of court may be made both for any purpose for which this act authorizes rules of court to be made, and also generally for carrying into effect this act so far as it affects local courts, or an arbitrator appointed by a special magistrate, and proceedings in a local court or before any such arbitrator.

(10) The governor may make or repeal regulations providing for rules of court, and generally for carrying this act into effect.

(11) No court fee shall be payable by any party in respect of any proceedings under this act in a local court prior to the award.

(12) Any sum awarded as compensation shall be paid on the receipt of the person to whom it is payable under any agreement or award, and his solicitor or agent shall not be entitled to recover from him or to claim a lien on or deduct any amount for costs from the said sum awarded for any costs except such as have been awarded in the arbitration. On an application made by either party to determine the amount of costs



to be paid to the said solicitor or agent, such sum to be awarded subject to taxation and to the scale of costs prescribed by rules of court.

(13) The governor may appoint legally qualified medical practitioners for the purpose of this act, and any committee, arbitrator, or special magistrate may, subject to regulations made by the governor, appoint any such practitioner to report on any matter which seems material to any question arising in the arbitration; and the expense of any such medical practitioner shall, subject to such regulations, be paid out of moneys to be provided by Parliament.

**AN ACT to amend "The Workmen's Compensation Act, 1900," and for other purposes.**

1. This act may be cited as "The Workmen's Compensation Amendment Act, 1904," and shall be incorporated and read with "The Workmen's Compensation Act, 1900" (hereinafter referred to as the principal act).

2. A workman employed by an employer on, or in, or about a factory, but engaged elsewhere on the duties of his employment, shall be deemed to be employed in such factory while so engaged in such duties, and the place where he is so employed shall, so far as any injury to such workman is concerned, be deemed to be the factory of and occupied by such employer within the meaning of the principal act: Provided that the employer shall not be liable under this act or the principal act in the case of an accident to a workman whilst proceeding to or from any place, or in the case of an accident to a workman on, in, or about any ship or boat unless while such ship or boat is in harbor or port.

3. Section 4 of the principal act is hereby amended by adding after the word "compensation," in the third line of the said section, the words "pursuant to the provisions of the second schedule."

4. In any proceedings under section 7 of the principal act, when the court assesses the compensation, it shall give a certificate of the compensation it has awarded and the directions it has given as to the deductions for costs, and such certificate shall have the force and effect of an award under the principal act.

5. Notwithstanding anything to the contrary contained in this act or the principal act, the compensation payable to a workman who is a longshoreman, injured in loading or unloading ships, shall be calculated as if the average earnings of such workman immediately prior to the injury, or total disablement, or fatal injury, were equal to two pounds [\$9.73] per week, regardless of whether the said workman had been employed by one or several employers.

## **SPAIN.**

### **THE LAW OF JANUARY 30, 1900.(\*)**

**ARTICLE 1.** For the purposes of the present law, an accident designates every physical injury which a workman suffers during or in consequence of the work that he performs for some one else; by employer is understood the individual or company that owns the plant, manufactory, or enterprise in which the work is being performed; by a workman one who is engaged habitually in manual labor outside of his domicile in the employ of another.

**ART. 2.** The employer is responsible for accidents occurring to his workmen by reason of and during the performance of the occupation, or labor in which they are engaged, except when the accident is due to natural causes foreign to the pursuit in which the accident occurs.

**ART. 3.** The following are the industries or pursuits in which the employer is liable:

1. Factories, workshops, and industrial establishments in which power other than human force is being employed.

2. Mines, salt works, and stone quarries.

3. Factories, metallurgical workshops, and construction works on land or on sea.

4. The construction, repair, and preservation of buildings, embracing masonry work in all its branches, carpentry, locksmithing, stonecutting, painting, etc.

5. Establishments which produce or employ for industrial purposes, explosive, inflammable, unsanitary or toxic materials.

6. The construction, repair, and maintenance of railways, ports, highways, canals, dams, aqueducts, drains and similar works.

7. Agricultural and forestry pursuits in which is employed some other motor force than human power. In such pursuits the responsibility of the employer extends only to that portion of the personnel which is exposed to the dangers of machinery.

8. Cartage and transportation on land, sea, or river.

9. Cleaning of streets, cesspools and sewers.

10. Warehouses, coal yards, wood yards, and lumber yards.

11. Theatres in so far as the salaried workmen are concerned.

12. Pumping stations.

13. Establishments for the production of gas and electricity and the installation and maintenance of telephone lines.

14. The installation, repair, and dismantling of electric conductors and lightning rods.

15. All persons employed in the works of loading and unloading.

16. All works and industries of a similar nature, but not included in the preceding groups.

**ART. 4.** Workmen shall have a right to compensation for accidents indicated in article 2 which result in total or partial, temporary or permanent disability, the form and amount of compensation being established by the following rules:

1. If the accident has produced temporary disability, the employer shall grant to the injured person compensation equal to one-half his daily earnings, from the day on which the accident took place until the day on which he finds himself able to return to work.

If after a year the disability has not been removed, compensation shall be paid according to the regulations relating to permanent disability.

2. If the accident results in permanent and total disability for any kind of work, the employer shall grant to the injured person compensation equal to two years' wages; but, if the disability is limited only to the workman's habitual occupation and does not interfere with his applying himself to some other kind of work, then the compensation shall amount only to eighteen months' wages.

3. If the accident results in partial, though permanent disability for the occupation or kind of work in which the injured person was engaged, the employer shall be obliged

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\* Legislación del Trabajo (Instituto de Reformas Sociales), pp. 9-13. Madrid, 1905.



to provide the workman, at his former rate of wages, with some other kind of work compatible with his present physical state, or at the option of the employer, to pay him compensation equal to one year's wages.

The employer is also required to furnish the workman with medical and pharmaceutical aid until he be able to return to work, or until the case be declared by expert medical opinion to fall under the classes referred to in paragraphs 2 and 3 and to need no further medical aid. Such aid shall be given under the direction of physicians designated by the employer. Compensation for permanent disability, as established in paragraphs 2 and 3 of this article, shall be independent of that established in paragraph 1 for temporary disability.

ART. 5. If the accident results in the workman's death, the employer shall be required to defray the funeral expenses, not to exceed 100 pesetas [\$19.30], and also to compensate the widow and legitimate children under sixteen years and the relatives in an ascending line, in a manner and to the amount as established by the following provisions:

1. A sum equal to the average daily wages of the injured person for two years, in case he leaves a widow, children, or orphaned grandchildren intrusted to his care.

2. A sum equal to eighteen months' wages if he only leaves children and grandchildren.

3. One year's wages if there be left only a widow without children or other descendants of the deceased.

4. Ten months' wages to the parents or grandparents of the injured, if there be left no widow or descendant relatives, and if they be sixty years old and without means of support: Always provided there are two or more of these relatives in an ascending line. In case there be only one, the compensation shall equal seven months' earnings of the injured person.

The regulations contained in paragraphs 2 and 4 shall be applicable in case the injured person is a woman. The benefits of paragraph 1 will accrue to the children only if it be proven that they were abandoned by their father or widowed grandfather, or are the offspring of an earlier marriage of the injured person.

All compensation paid because of death is over and above that due to the injured person during the period from the accident until his death.

5. The amount of compensation as determined by this law will be increased by one-half in case the accident occurs in an establishment or enterprise in which machinery and implements are not protected by safety appliances as provided for in articles 6, 7, 8, and 9.

ART. 6. There shall be established a technical commission for the study of all devices hitherto invented to prevent industrial accidents. This commission shall be composed of three engineers and one architect, two of the former to belong to the Society of Social Reform, and the third to the Royal Academy of Sciences, and all to be recommended by these societies.

The services of the members of the technical commission for the prevention of industrial accidents shall be rendered free of charge.

ART. 7. The commission referred to in the preceding article shall make up a list of mechanical devices for the prevention of industrial accidents and shall present the same to the minister of the interior within four months.

ART. 8. The Government, after consultation with the commission, shall specify in the rules and regulations supplementary to the present law those cases in which machinery must be equipped with appliances for the protection of the workmen and prevention of accidents, as well as other conditions of security and sanitation necessary in every industry.

ART. 9. The technical commission shall establish an experimental institute for the preservation of models of devices invented for the purpose of preventing industrial accidents, and for the testing of new inventions, and those found practicable shall be included in the above list.

ART. 10. The owner of industrial establishments embraced in article 3 may, in lieu of the compensations provided for by article 5, offer a pension for life: Provided he guarantees it to the satisfaction of the injured, or of his beneficiaries, in the following form and amount:

1. A pension equal to 40 per cent of the annual wages of the injured person payable to the widow, children, or grandchildren under sixteen years.

2. A pension of 20 per cent to a widow without legitimate children or descendants of the injured person.

3. A pension of 10 per cent to each of the relatives in an ascending line if poor and if sixty years of age, in case the injured person left neither widow nor any descendants: Provided the total aggregate of these payments does not exceed 30 per cent of the wages. These pensions cease in case the widow remarries or, as regards the children and grandchildren, when they reach the age specified in article 5.

**ART. 11.** For the computation of the obligations established by the present law, wages shall mean all that the workman receives in cash or in any other form, leaving holidays out of account.

A daily wage shall never be considered less than 1 peseta 50 centimes [29 cents], even in the case of apprentices who receive no remuneration, or workmen who are paid less than the above amount.

**ART. 12.** Employers may substitute for the obligations of articles 4, 5, and 10, or any one of them, the insurance of every workman at the employers' cost, against all the risks mentioned in these articles or in any one of them, with an insurance company legally constituted and approved for this purpose by the minister of state: Provided, however, That the sum received by the workman be not less than that specified by the law.

**ART. 13.** The provisions of this law apply to the Government in its arsenals, factories for arms and powder, and other establishments which it maintains; also to the various provincial and municipal authorities, in the respective cases, as well as to public works executed by themselves for their own account.

**ART. 14.** Until the regulations relative to courts and special juries who are to decide on conflicts that may arise from the application of the present law are provided for, jurisdiction over such conflicts shall be vested in courts of the first instance, subject to rules of procedure established for oral pleadings, and to the right of appeal as established by the Code of Civil Procedure.

**ART. 15.** Actions for the purpose of forcing compliance with the provisions of this law shall be outlawed after one year from the day of accident.

**ART. 16.** All claims of damages and injuries arising from acts not embraced within the provisions of the present law remain subject to the rules of the common law.

**ART. 17.** If damage or injury be produced through fraud, imprudence, or negligence, such as constitute a crime or fault under the Penal Code, these cases shall be adjudicated by the judges and courts of criminal jurisdiction.

**ART. 18.** If the judges or courts of criminal jurisdiction suspend sentence or dismiss the charges against the accused, the interested party shall retain the right to claim compensation for damages and injuries in accordance with the provisions of this law.

**ART. 19.** All renunciations of the benefits of this law, and every other agreement contrary to its provisions, shall be null and void.

**ART. 20.** The Government shall in the course of the next six months formulate all rules and regulations necessary for the administration of the present law.

**ART. 21.** Printed copies of the present law and the regulations shall be posted in conspicuous places in the various establishments, factories, and workshops to which it refers.

## **SWEDEN.**

### **LAW OF JULY 5, 1901, RELATING TO COMPENSATION FOR INJURY RESULTING FROM INDUSTRIAL ACCIDENTS.<sup>(a)</sup>**

**ARTICLE 1.** If a workman is injured as a result of accident while at work, the employer shall, in the cases mentioned in articles 2 and 3, be required to compensate him in the manner prescribed by this law.

Such compensation shall, however, not be given in any case for injury which the injured person intentionally or through gross carelessness brings upon himself, or which is intentionally caused by a third person who was not in charge of or exercising supervision over the work.

By workmen are also understood foremen for the purpose of this law.

**ART. 2.** The obligation to pay compensation in accordance with article 1 shall rest upon private employers who carry on as a business any of the below mentioned undertakings, namely:

1. Forestry, saw-mills or lumber yards;
2. Ice harvesting or peat cutting;
3. Mining, stone or lime quarrying, brick-making, metallurgic work, or other work the object of which is the utilization or refining of mineral products, and which is not to be regarded as handicraft work;
4. Factory work;
5. Ship building, distilling, brewing, baking, slaughtering, dairying or butter making, conducted in such a manner and to such an extent that they may be classified with factories;
6. Printing;
7. Manufacture of explosives;
8. Chimney sweeping;
9. Floating of wood;
10. Loading or unloading of goods;
11. Operation of railroads or street railways;
12. Building trades, including the building of roads and hydraulic work;
13. Blasting, tunnelling, paving, masonry work, carpentry or roofing;
14. Installation of electric conduits and of gas and water pipes and sewers;
15. Establishments for the production, transmission, or distribution of electric power, and also the operation of gas or water works.

The liability for compensation includes injury resulting from accidents that are due to the carrying on of the employer's business.

**ART. 3.** If the State or a commune carries on as a business any of the undertakings enumerated in article 2, then the State or the commune shall be liable for the compensation in accordance with article 1 for injury due to accidents resulting from the carrying on of such undertaking.

**ART. 4.** The compensation in accordance with this law shall be as follows:

1. If the accident results in a material reduction of the injured person's ability to work, and such reduction lasts for more than sixty days after the accident: 1 crown [26.8 cents] as a sick benefit for every day from and including the sixty-first day until the injured person recovers from such inability to work, or until the accident results in permanent loss or reduction in ability to work, or until death takes place;

2. If the accident results in permanent loss or reduction of working ability: a pension, in the former case of 300 crowns [\$80.40], and in the latter case of a smaller amount corresponding to the reduction in working ability, to be reckoned from and including the sixty-first day after the accident, or from the later time when the accident results in permanent loss or reduction of working ability, provided, however, that the pension shall be payable only in cases in which the working ability is reduced at least ten per cent;

3. If the accident results in death within two years:

(a) Funeral expenses to the amount of 60 crowns [\$16.08];

(b) To the widow, if the marriage was contracted before the accident, a life pension of 120 crowns [\$32.16] from the date of death, and so long as she remains unmarried, and to each minor child born before the accident, or after the accident from

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<sup>a</sup> Svensk Författnings-Samling, 1901, No. 39, pp. 1-12.

a marriage contracted before, a pension of 60 crowns [\$16.08] from the date of death until the child reaches the age of fifteen years; provided, however, that if the aggregate pensions thus payable to the survivors exceed 300 crowns [\$80.40], the amount paid to each beneficiary shall be proportionally reduced so long as the occasion for such reduction exists.

ART. 5. In judging to what extent bodily injury has caused reduction in working ability, account shall be taken not only of the nature of the injury and its influence in general on the injured person's ability to support himself by his work, but also of the influence which the injury may have upon the special abilities which may be necessary for the exercise of the injured person's occupation, as well as to the injured person's age and sex. If the injured person was afflicted at the time of the accident with any bodily injury or defect, account shall also be taken of the smaller working ability which, as a result of such defect, he had at the time of the accident.

The following rules shall also serve as a guide:

1. That, in general, total disability shall be considered to exist in case of complete loss of mental power or insanity, general paralysis, blindness of both eyes, loss or complete paralysis of both hands, or of both feet, or of one hand and one foot;

2. That, in general, the injuries mentioned below shall be considered as having caused reduction of working ability amounting to the following proportions, namely:

General weakness of the mental faculties, 50 per cent; general physical weakness, 50 per cent; loss of one eye and weakened sight of the other eye, 70 per cent; loss of one eye, 20 per cent; deafness of both ears, 50 per cent; deafness of one ear, 10 per cent; inguinal hernia, 15 per cent; loss of one hand or foot together with reduced power of prehension or locomotion, 70 per cent; loss of one hand or foot, 50 per cent; loss of all fingers of one hand, 50 per cent; loss of all toes of one foot, 20 per cent; loss of one thumb, 25 per cent; loss of one fore finger, 15 per cent.

ART. 6. A foreign citizen's widow or child shall not have the right to a pension under this law, if they did not reside in the Kingdom at the time of the accident. No person who has a right to a pension under this law shall receive such pension for the time during which he or she resides outside of the Kingdom.

The King may grant exceptions to the provisions of this article in favor of citizens of certain countries and to beneficiaries residing in those countries, on the principle of reciprocity.

A beneficiary shall not receive the pension for the time during which he or she is undergoing imprisonment or forced labor.

ART. 7. Funeral aid shall be paid immediately after death, sick benefits for every calendar week on the last day of the week, and the pension for every calendar quarter on the first day of the last month of the quarter, without liability for refunding in case the right to the pension should come to an end during the month, or if any condition should arise which permits the discontinuance of the payment of the pension.

ART. 8. In case a pension or other benefit is payable to a workman injured through an accident, from a fund supported entirely or to a material extent by contributions from the employer, or if the workman has been, at the expense of the employer, insured against accident in a manner other than that provided for by article 10, then the amount payable for the same purpose from the fund or on account of the insurance, as a result of the accident, shall be deducted from the funeral aid, or sick benefit, or the pension which the employer is liable to pay under this law, for the time during which the liability rests on the employer.

A similar deduction may be made from any compensation which is paid in accordance with the common law or any special law.

ART. 9. If any person has the right to compensation in accordance with this law, he shall not thereby be barred from entering a claim against the employer or other person for indemnity which might be due to him in accordance with the common law or special law; provided, however, that the employer may deduct from such indemnity the amount of the compensation to which he is liable under this law.

If a person other than the employer is liable for indemnity, the employer may, after duly suing the person who is liable, receive such indemnity instead of the person to whom it is due, provided he pays a corresponding compensation in accordance with this law.

ART. 10. There shall be established by the State a State Insurance Institute for taking over the liability for compensation resting upon the employer, in the manner prescribed below in this article.

Employers shall have the right to insure their workmen in the State Insurance Institute against accidents coming under this law, with the effect that they shall be free from liability for compensation in accordance with this law, so long as such insurance is in force.

When such insurance has been contracted for, the State Insurance Institute may, in the cases provided for in article 8, make deduction for compensations paid, and

may also, after suing the employer or other person liable for indemnity, receive such indemnity instead of the person to whom it is due, provided a corresponding compensation is paid by the Institute.

When an employer is required, on account of an accident, to pay a pension in accordance with this law, he may free himself from such obligation by the purchase of the required pension from the State Insurance Institute, and shall thereupon have the right, if another person is liable for indemnity, to receive such indemnity, which in the cases above mentioned would go to the State Insurance Institute.

ART. 11. If a workman is injured as a result of an accident occurring in the course of his work, notice thereof shall immediately be given to the employer, superintendent or foreman.

The injured person shall also, if he does not himself seek medical aid, be required to subject himself to the visits of the physician designated by the employer or by the State Insurance Institute.

If these provisions are not complied with, and if it is proved that the injury has been aggravated by the neglect to summon medical aid, the compensation prescribed by this law may be correspondingly reduced.

ART. 12. If an accident occurs which results in, or may reasonably be expected to result in death, or other consequences giving rise to a claim for compensation in accordance with article 4, the employer, or, if the injured person was employed by the State or by a commune, the superintendent of the work, as soon as he has been informed of the accident by the workman or otherwise, shall immediately give written notice thereof to the local police authorities. If the injured person has been insured by the employer in the manner provided for by article 10, a statement to that effect and concerning the extent of the insurance shall be included in the notice. Further requirements in regard to the contents of the notice may be made by royal decree. When notice is given to the police authorities, there shall be sent in to the same authority and at the same time, or if that is not possible, as soon thereafter as possible, a medical certificate obtained at the expense of the employer, stating the cause of death or the nature of the injury and the condition of the injured person. If a medical certificate cannot be obtained without unreasonable cost, a certificate may be issued instead by the parish priest, or by some other local official, the chairman of the board of aldermen, the chairman or a member of the communal board, or a member of the county board.

When notice regarding an accident, as provided for above, has been sent to the police authorities, or when an accident has otherwise come to the knowledge of the police, the latter shall make an investigation of the accident as soon as possible, provided, however, that if the notice is accompanied by a duly signed statement from the employer setting forth that the accident occurred under such circumstances that compensation under this law becomes payable, the investigation shall be made only if the police authorities consider it necessary.

The police authorities referred to in this article are: the chief county officer in rural districts, the police department in cities having such, and in other cities the mayor, or in the absence of such officer, the chief municipal authorities.

The police authorities in rural districts and in cities other than Stockholm must at once send in to the royal commissioner the documents in the case together with the minutes of the investigation if one was made.

ART. 13. Claim for compensation according to this law shall, under penalty of the loss of the right, be made, by summons or by means of a decision of a court of arbitration, upon the employer within two years and upon the State Insurance Institute within three years, counted from the date of the accident or, if the claim is for compensation for death, from the date of death. These provisions shall not apply in cases where the parties within the said time come to an agreement in regard to the compensation or agree to refer the question of compensation to the final decision of arbitrators.

ART. 14. The court competent to hear disputes concerning compensation payable under this law, shall be the general court of first instance in the locality where the accident occurred or where the person who is sued has his residence.

If such an action is brought before the court, the latter shall demand that the minutes and other documents mentioned in article 12 be brought before it.

If it is evident that the defendant is holding up the settlement of the case without good reason, or, if it appears that the dispute concerns the amount of the compensation only, the right to compensation not being contested, the court, on the request of the plaintiff, shall order, in the former case, that a reasonable amount, not less than what the defendant may have agreed to, and in the latter case, that the undisputed amount shall be paid to the plaintiff in part payment of his claim; such order may be appealed by the defendant in the same manner as a final decision of the court.



If the court has ordered a preliminary payment in accordance with the above provision, the said order shall go into force as a legal judgment. A final judgment, by which the court orders the plaintiff to pay compensation, shall likewise go into force unless the court orders otherwise.

ART. 15. If the injured person has not been insured by the employer in the manner provided for in article 10, the parties may, if they agree thereto, and likewise, if the dispute regarding the compensation has been brought before a court or before arbitrators, the court or the arbitrators may request from the State Insurance Institute an opinion as to whether the work in which the injured person was employed was such as comes within this law, and to what extent the injury is to be considered to have caused reduction in working ability. Such opinions shall be given by the institute free of cost.

ART. 16. If, after the compensation to an injured workman has been determined by the final decision of the court or of arbitrators or by mutual agreement, any material change should take place in the circumstances which were the determining factors in the determination of the compensation, a petition for a readjustment of the compensation may be made within two years from the date of the decision or agreement.

The competent court for hearing such a petition shall be the court of first instance which had rendered the judgment in regard to the compensation, or, if the compensation was determined by arbitrators or by agreement, the court of first instance in the locality where the accident occurred. The readjustment must not affect the compensation paid for the time previous to the date on which the petition was made by the service of summons or by calling of arbitrators. If the readjustment is sought by the person liable to pay the compensation, it must not have the effect of prejudicing the right to the compensation, the payment of which was due before the same day.

ART. 17. If the estate of the employer is subjected to proceedings in bankruptcy, the apportionment for the purpose of protecting the pension claims due under this law shall be made on the basis of the aggregate amount of the capital value of the pension on the day on which the apportionment in the bankruptcy proceedings is to be made, or, if previously, on the day on which payment is made, and if the pension accrued up to the said day, together with interest on that part of the pension which in accordance with article 7 may have fallen due before the said day.

In the case of a pension to an injured workman, the apportionment for the capital value of the pension must not be paid to the workman, but the amount shall be used by the receiver in the bankruptcy proceedings for the purchase in favor of the workman of a pension from the State Insurance Institute; the above shall not, however, apply to cases in which the pension to be thus purchased from the Institute amounts to less than 45 crowns [\$12.06] per annum.

ART. 18. If the employer neglects to pay the pension due, after the same has been demanded;

or if a private employer winds up his business;

or if he moves it out of the Kingdom;

or if his business is transferred to another by reason of death or assignment;

or if his business is placed in liquidation;

the beneficiary of the pension whose claim is based upon written agreement or upon a final decision legally in force, may apply to the chief surrogate to have a demand made upon the employer or his assigns that bond or security be deposited with the surrogate for securing the payment of the pension in accordance with article 48 of the law regarding surety bonds. If the application is based upon the allegation that the employer neglected after demand to pay the pension fallen due, the demand made by the surrogate to the employer shall state that the latter may be relieved from the obligation to give bond if within a certain time to be determined by the surrogate, at least one, and at most two weeks from the date of the demand, he can show that the pension payment due, together with interest thereon and the cost of the proceedings, to be stated by the surrogate in the demand, have been paid.

If the security given ceases to be sufficient, the beneficiary may in like manner apply for the deposit of a new security.

Security must not be accepted by the surrogate unless it is deposited on the depositor's own account.

If the security is not deposited within the prescribed time, the surrogate shall require the person liable for the pension to pay the total amount of the capital value of the pension on the day on which payment is made, together with the pension accrued up to the said day with interest on that part which in accordance with article 7 may have fallen due before the said day. The surrogate shall at once seize the amount which the said person is thus liable to pay.

With regard to the manner of procedure in such cases and to appeals against the decisions of the surrogate, the provisions contained in the laws in force regarding lawsuits for debt shall apply; provided, however, that if the matter is contested before a



court, the court shall decide only on the question of the liability to pay, after which the plaintiff shall refer the case for further action to the surrogate.

If the case concerns a pension to an injured workman, the capital value paid for the pension must not be received by the workman, but the amount shall be used by the surrogate for the purchase in favor of the workman of a pension from the State Insurance Institute; the above, however, shall not apply if the pension thus to be purchased from the Institute amounts to less than 45 crowns [\$12.06] per annum.

ART. 19. By the capital value of the pension in articles 17 and 18 is understood the amount for which the annuity of an equal amount can be purchased from the State Insurance Institute.

ART. 20. The right to compensation under this law can not be assigned, and is not liable to seizure for debt.

ART. 21. If an employer desires to make a special agreement with a workman with regard to the compensation that is to be payable in case of a future accident, he shall submit such an agreement to the State Insurance Institute for approval. The agreement must not be approved if the State Insurance Institute, after due investigation, finds that its terms are disadvantageous to the workman. An agreement entered into in writing after it has been thus approved shall be valid. The approval may be revoked at any time, but the revocation shall not have the effect of vitiating the validity of an agreement which was made before the employer received notice of the revocation.

If an agreement in regard to the compensation payable on the occasion of an accident is made otherwise than as provided for in this article, such agreement shall be without effect as against the person to whom the compensation is due, unless it is made in writing after the accident, or after the death of the injured person if it concerns funeral aid or pensions to the survivors. If the agreement provides that instead of a pension to the injured workman the latter shall be paid a certain sum once for all, it shall not be valid unless the pension in question amounts to less than 45 crowns [\$12.06], per annum.

ART. 22. If the employer or superintendent neglects to comply with the requirements of the law concerning the notice, the transmission of the medical certificate or other documents required by article 12, he shall be liable to be punished by a fine of not less than 5 crowns [\$1.34] nor more than 200 crowns [\$53.60]. If any person makes in such notice an incorrect statement contrary to his better knowledge, he shall be punished by a fine of not less than 25 crowns [\$6.70] nor more than 1,000 crowns [\$268], unless other punishment is provided for such offense in the Penal Code.

Fines inflicted in accordance with this article shall be paid to the Crown. If the fines cannot be paid, they shall be commuted in accordance with the Penal Code.

ART. 23. If an employer who carries on a business other than those provided for in this law wishes to provide, by insurance in the State Insurance Institute, for compensation on the basis laid down by this law for injuries due to accidents which result from the carrying on of said business, he shall have the right to do so. If such insurance is issued, the requirements of this law concerning it shall apply thereto.

ART. 24. Any workman, whether he is employed in an occupation coming under this law or not, shall have the right to provide compensation for himself by insurance in the State Insurance Institute, on the basis laid down by this law for injury due to accidents in his work. The right to compensation on account of such insurance can not be assigned, and therefore can not be seized for debt.

ART. 25. The premium for the insurance of workmen in the State Insurance Institute shall be fixed at such amounts as shall be found to be sufficient for covering the risk on the basis laid down by insurance technique, having regard both to the dangerous character of the occupation in general, and to the special circumstances under which it is carried on. The expenses of organization and management of the State Insurance Institute shall be borne by the State.

ART. 26. Further regulations which, in addition to what is contained in this law, may be necessary in regard to the State Insurance Institute, shall be issued by Royal Decree.

ART. 27. By this law are repealed the provisions of the law of March 12, 1886, regarding responsibility for injuries due to the operation of railroads (traffic) which concern the liability of the owners or managers of a railroad to pay compensation in case a workman or foreman employed by the railroad is killed or injured in the course of his work in the service of the road; provided, however, that the provisions of the said law shall continue to apply instead of the provisions of this law in the case of workmen or foremen who are employed in the service of the railroad at the time this law goes into force.

This law shall go into force at such time as the Crown shall determine, after the State Insurance Institute provided for in article 10 has been established, but shall not apply to accidents which occurred before such time.

**SWITZERLAND. (a)**

**FEDERAL LAW OF JUNE 25, 1881, CONCERNING ACCIDENTS IN  
FACTORIES. (b)**

**ARTICLE 1.** Any person who operates a factory as defined by the federal act of March 23, 1877, is, within the limits fixed by the present act, liable for damages caused by the death or injury of an employee or workman occurring on the premises of the factory and by reason of its operation, if the accident resulting in the death or injury is caused by his own negligence or that of his agent, representative, manager, or superintendent in the performance of his duties.

**ART. 2.** The employer is also liable when an employee or workman is killed or injured on the premises of his factory and through the operations of the same, without such negligence on his part, unless he can prove that the accident was caused by a superior force [act of God], or by the crime or misdemeanor of other persons than those named in article one, or that it occurred through the fault of the person killed or injured.

**ART. 3.** In those industries which the federal council in execution of article five, (d), of the law relating to labor in factories, has designated as those which produce dangerous diseases, the employer is responsible also for injuries resulting to an employee or laborer from disease, when the disease is proven to have been caused exclusively by the operation of the factory.

**ART. 4.** The employer has a claim for reimbursement against all persons for whose negligence he is liable.

**ART. 5.** The liability of the employer shall be equitably reduced:

a. When the death or injury (exclusive of the cases mentioned in article 3) is the result of pure accident:

b. When a part of the negligence which occasioned the accident (or illness, according to article 3), is chargeable to the injured person, especially when he has acted contrary to the rules of the factory, or as employee or laborer has discovered a defect in the appliances whereby the accident (or the illness) has been caused, without informing his superior or the employer himself, unless the claimant can prove that the employer or his proper agent was duly informed of this defective or dangerous condition:

c. When previous injuries have had an effect upon the last and its consequences, or when the health of the sick employee or laborer was already impaired by his prior employment.

**ART. 6.** The damages to be paid include:

a. In case of death, whether immediate or after treatment:

The costs of medical treatment, the loss which the deceased sustained during his illness by complete or partial inability to labor, funeral expenses, and the loss which the dependents of the deceased sustain when the latter was legally required to furnish them support.

The dependents who are entitled to make such claims are husbands and wives, children and grandchildren, parents and grandparents, brothers and sisters.

b. In the case of injury or disease:

All costs of the sickness and of the efforts made to effect a cure, and the loss sustained by the injured or diseased person by reason of his inability to labor, whether complete or partial, permanent or temporary.

The court shall determine, after consideration of all the circumstances, the amount of the damages, which, however, in the most serious cases (articles 1 and 3) shall not exceed six times the annual earnings of the employee or workman, and shall in no case exceed the sum of 6,000 francs [\$1,158].

\* The Swiss laws here reproduced are not, accurately speaking, compensation laws, but are liability laws of a very inclusive and stringent type, and are published as showing probably the nearest approach to the force and value of a compensation act that can be attained under the form of liability laws.

† Bellom: Les Lois d'Assurance Ouvrière a l'Etranger. II. 3 Partie, p. 1700.

The court is not restricted to this maximum when the injury or death was caused by any act of the employer which would render him liable to a criminal prosecution.

The costs of medical treatment, maintenance, and burial are not to be included in the above maximum.

With the consent of all parties concerned the court may order the payment of an equivalent pension instead of a capital sum.

On the date of the final judgment of the court, the liability of the manufacturer to further demands ceases.

ART. 7. Awards to persons entitled to a compensation to be paid by another can not be assigned to third persons nor are they subject to execution.

So also rights to compensation and to funds providing therefor are exempt from execution, levy or seizure, and from the satisfaction of creditors in case of bankruptcy.

ART. 8. When at the time judgment should be rendered on any case the consequences of the injury or illness can not be exactly determined, the court may in exceptional cases, reserve the right to increase the amount of the damages in case of death or if the condition of the injured or diseased person shall become notably worse. The total of such damages shall not, however, exceed the limits determined by article six.

This reservation may also be expressly made by the court in favor of the manufacturer, and will involve a reduction of the compensation when the consequences of the injuries are sufficiently less severe than was anticipated.

ART. 9. When the employee or workman killed, injured, or diseased is insured against accidents, or in a fund granting benefits in case of sickness or in a similar institution, and the employer has contributed to secure such insurance through premiums, assessments or subventions, the entire payments of such institutions to the injured or sick person or the legal representatives of the deceased, are to be deducted from the payments of damages, if the contribution made by the employer is not less than one-half of the premiums, assessments or other charges.

If, however, the contribution of the employer is less than one-half, there shall be deducted from the compensation a sum proportional to the share of the employer's contributions.

The employer may claim such deductions only when the insurance to which he contributes covers all kinds of accidents and sickness.

ART. 10. Employers are not privileged to limit or nullify in advance the provisions of this act by means of rules, notices, or contracts with their employees or laborers, or with third persons (except as provided by article 9). All provisions or contracts contrary to this provision are void.

ART. 11. In suits, the cantonal courts decide as to the right to compensation arising under the present act, with right of appeal to the federal courts, according to provisions of the act governing the jurisdiction of the federal courts.

ART. 12. Actions for damages arising out of this act must be brought within one year from the date of the accident causing the death or injuries, or the date on which the illness was officially recognized as a disease resulting from the employment.

The parties in interest are privileged, however, to have a judicial determination of all the facts connected with the accidents and cases of sickness before the beginning of the action.

ART. 13. The limitation of one year applies also to the revision of the judgment as provided for in article eight, and it commences with the day on which the first judgment is given.

ART. 14. In case of doubt whether an establishment which is not on the register of factories ought to have been entered in the same, and thus whether an accident or illness which may occur in the said establishment comes under the provisions of the present act, a final decision is to be given by the federal council after having received a report from the government of the Canton in which the establishment is situated (article 1, paragraph 2, of the federal law of labor in factories, on March 23, 1877).

ART. 15. Article five of the federal law on labor in factories, of March 23, 1877, with the exception of (d) of the same, is hereby repealed, as well as all provisions of cantonal laws and ordinances contrary to the present law.

ART. 16. The federal council is commissioned, in accordance with the federal law of June 17, 1874, concerning the passage of federal laws and resolutions, to publish this law and to determine the date on which it shall go into effect.

FEDERAL LAW OF APRIL 26, 1887, EXTENDING AND SUPPLEMENTING THE LAW OF JUNE 25, 1881.<sup>(a)</sup>

ARTICLE 1. The liability for accidents, according to the federal law of June 25, 1881, in addition to factories named in articles one and two, and other industries named in article three, is extended to:

1. All occupations in which explosives are produced or used;
2. The following occupations in so far as they do not come under paragraph one, if on the average more than five persons are employed:

(a) Building operations including all operations in connection therewith, whether they are carried on in workshops or yards, at the place of building, or in the necessary transportation thereto;

(b) Carriage by land and water, including rafting. With the exception of articles four, six and seven, this act has no application to the operation of steamboats;

(c) The erection and repair of telephone and telegraph lines, the erection and removal of machinery, and other installations of a technical character;

(d) The construction of railroads, tunnels, streets, bridges, the operations of hydraulic engineering and the exploitation of mines and quarries.

ART. 2. The responsibility rests, in the cases mentioned in article one, paragraphs one and two, with the head of the establishments, and in the cases under paragraph two, sub-heads (c) and (d), with the person responsible for the undertaking, even in the cases in which the execution of the work has been confided to a third person.

When the operations named in article one are carried on as public works, the responsibility rests with the state, district, communal or corporate administration, as the case may be, provided, however, that more than five laborers are employed thereon at the same time.

ART. 3. The federal law of June 25, 1881, is applicable also to all work or service connected with the operation of a factory, even though it does not take place on the immediate premises.

ART. 4. (Abrogated by law of March 28, 1905.)

ART. 5. Articles four and nineteen, and the last paragraph of article two of the federal law of March 23, 1877, relating to employment in factories, are applicable to manufacturers and heads of establishments named in article two of the present act.

ART. 6. The Cantons are required to provide by means of laws or ordinances, that:

1. Poor persons who may bring suit under the present act or those of July 1, 1875, and of June 25, 1881, shall, at their request, unless on a preliminary examination of the facts it shall appear that the action is not well founded, have the benefit of gratuitous legal assistance, and that security, costs for experts, fees and stamp duties shall be remitted.
2. Cases of this nature shall be adjudicated as speedily as possible.

ART. 7. In cases which come before the federal courts, where the claim of a poor plaintiff is not, according to the preliminary examination, without foundation, he shall be excused from depositing the fees of court, and from furnishing the security required by article twenty-six of the federal law of July 13, 1855. Furthermore, all prepayments of costs required of the plaintiff by article twenty-three of said law, and all fees for witnesses and records shall be met from the treasury of the court.

ART. 8. Manufacturers and heads of establishments to whom the provisions of the present act, and that of June 25, 1881, are applicable, are required to keep a list of any considerable accidents which may occur in their business, in the form prescribed by the federal council; in addition to the date and result of the accidents, the record must show:

1. When the report required by law was made to the proper authority;
2. What damages have been paid in accordance with article six of the law of June 25, 1881; and
3. From what source such payments have been made.

These returns must be made, at the latest three months before the expiration of the statutory limitations (articles 12 and 13 of the law of June 25, 1881) to the proper cantonal authorities, who shall communicate them to the factory inspector of the district.

Infractions of the provisions of this section may be punished by a fine of 5 to 100 francs [\$0.97 to \$19.30], and in the case of a repetition, not exceeding 200 francs [\$38.60]. These fines shall be imposed according to the laws of the Cantons, and shall be paid into the treasury of the Canton.



Any employer who has neglected to report an accident to the proper authority shall be required to make good his omission. Where the report is delayed, the period of the statutory limitation does not expire until three months after the receipt of the report.

ART. 9. When the officials of the Federal Government or of the cantonal governments charged with the execution of this law learn that an injured employee or laborer, or his legal representatives, have a claim for damages under the present law or that of June 25, 1881, which has not been equitably adjusted without the intervention of the courts, they shall report the fact to the cantonal government. The Government shall make an investigation of the facts and report the results to the persons interested.

The validity of contracts whereby an injured person or his legal representatives agree to accept a manifestly insufficient compensation for losses may be contested.

ART. 10. The provisions of article fourteen of the law of June 25, 1881, are applicable in an analogous manner to any cases arising under the present law where there may be doubt whether the establishment is within the scope of the present act.

ART. 11. The governments of the Cantons are commissioned to provide for the execution of the present law.

The federal council shall exercise a supervision over the execution of the law.

ART. 12. The federal council is commissioned, in accordance with the federal law of July 17, 1874, relative to the passage of federal laws and resolutions, to publish the present law and determine the date on which it shall go into effect.

(Ordered to go into effect November 1, 1887).

## FEDERAL LAW OF MARCH 28, 1905, RELATING TO THE CIVIL LIABILITY OF RAILWAYS, STEAMBOATS, AND THE POSTAL SERVICE.<sup>(a)</sup>

ARTICLE 1. Every railway shall be liable for damage resulting from the loss of life or injuries sustained by a person in the course of the construction or operation of its lines, or while engaged in accessory work involving railroad risks, unless it is able to prove that the accident was due to superior force [act of God], to the fault of a third party, or to that of the injured person himself.

No one shall be regarded as a third party within the meaning of the present article who is an officer or employee of the road, engaged either in transportation or in the construction of its lines.

ART. 2. In case of death, damages paid shall cover expenses, including those of burial. If death does not occur immediately, they shall include the expense of treatment and compensation for loss from disability. When, through the death of the injured person, other persons are deprived of their means of support they shall be likewise compensated for such loss.

ART. 3. Personal injuries shall entitle the injured person to reimbursement for expenses and to damages for total or partial disability. If the injured person has been mutilated or disfigured in such a way as to interfere with his employment, the judge may also allow him a compensation for such injury.

ART. 4. When the injured person realized exceptionally high returns from his labor the judge, taking all the circumstances into consideration, may reduce the compensation in such manner as seems just.

ART. 5. If the accident is in part due to the fault of the injured person, the judge, taking all the circumstances into consideration, may reduce the compensation proportionately.

ART. 6. There shall be no ground for compensation if the connection with the railway of the person killed or injured was the result of his own criminal act or act of bad faith.

ART. 7. If the connection with the railway of the person killed or injured arose from his having knowingly violated any police regulation, the judge may reduce the compensation or even absolve the road from all liability.

ART. 8. In case of negligence of the railway or of the persons named in paragraph 2 of article 1, the judge, considering the particular circumstances, especially when fraud or gross negligence has been shown, may allow to the injured party, or in case of death, to his family, an equitable sum, independent of reparation for actual damages.

ART. 9. The compensation may be allowed in a capital sum, or as a pension, or in a capital sum combined with a pension. The judge may determine freely the method of payment without being bound by the opinions of the parties. He shall take, whenever necessary, proper measures to insure the payment of the pension.

**ART. 10.** When the consequences of a personal injury can not be exactly estimated at the time when judgment is rendered, the judge may reserve the right subsequently to revise the same in case death should ensue or the condition of the injured person should become materially worse.

Such reservation may likewise be made by the judge in favor of the railway in case the consequences of the accident should prove less serious than had been anticipated.

**ART. 11.** The railway is further liable for articles lost, destroyed, or damaged while in the personal custody of the injured person if the damage, destruction, or loss occurs in connection with the accident.

Otherwise, it shall be liable in damages for such articles not consigned as merchandise or baggage only when there has been negligence on its part.

**ART. 12.** In the cases mentioned in article 11 the compensation shall be fixed according to the actual value of the articles lost, destroyed, or damaged. A larger compensation may be allowed only under the circumstances described in article 8.

**ART. 13.** When the person killed or injured was insured against accident and the defendant concern has contributed to the payment of the premiums or assessments, the insurance paid to the injured person or to his legal representatives may be deducted from the damages allowed, proportionately to the contribution of the concern.

The concern may make such deduction with regard to its employees and workmen only when the insurance to which it contributes covers all accidents occurring in the course of its construction or operation.

**ART. 14.** Actions for damages under this act shall be barred by limitation after the expiration of two years from the day of the accident. The same limitation shall apply to claims for an increase or a reduction of the compensation based upon article 10, the time being computed from the date when judgment was rendered.

The federal law of contracts governs the suspension and interruption of the period of limitation.

**ART. 15.** When the person injured by an accident, whether resulting in death or in personal injury only, is an employee or a workman of the concern, the claims arising from such accident are not assignable.

**ART. 16.** Publications, rules, or special agreements, whereby civil liability is waived or limited in advance are void.

**ART. 17.** Any agreement by virtue of which an evidently insufficient compensation has been stipulated or paid, is voidable.

**ART. 18.** The concern has a right of action against persons by whose fault the accident was caused.

**ART. 19.** Actions for damages may be brought where the principal office of the concern is located, or before the court designated in the charter or in the law of the Canton in which the accident occurred. (Article 8 of the federal act of December 23, 1872, relating to the construction and operation of railways within the territory of the Swiss Confederation, and article 12 of the federal act of October 15, 1897, relating to the acquisition and operation of railways by the Confederation.)

**ART. 20.** The judge shall render judgment freely, without being bound in the matter of evidence by the rules of procedure.

**ART. 21.** The charter may impose upon the concern a more extensive liability than that arising under the present act.

**ART. 22.** The Cantons will take the necessary measures to provide:

(1) That civil liability suits shall be decided as speedily as possible.

(2) That poor persons may, upon application, be given the benefit of legal assistance and exempted from the giving of security, fees of experts, court fees and stamp duties, unless, upon preliminary examination, their claims appear to be without merit.

**ART. 23.** Accidents which have occurred previous to the time when this act takes effect shall continue to be governed by the federal acts of July 1, 1875, and April 26, 1887, in so far as the charter of the concern does not provide for a more extended liability.

**ART. 24.** The present act is applicable:

(1) To the operation of steamboats.

(2) To the operations of the postal service, to the extent of the liability of the postal administration under the provisions of the act of April 5, 1894, relating to the government postal monopoly.

**ART. 25.** Article 48, number 2, of the federal act of March 22, 1893, relating to the organization of the federal courts, and the last paragraph of article 12 of the federal act of October 15, 1897, relating to the acquisition and operation of railways by the Confederation, shall not be applicable to actions brought under the present act against the Confederation in its capacity as operator of railways, steamboats, and the postal service.



Such actions must be brought against the proper authorities of the federal railway administration, or, when they concern the civil liability of the post-office department, against the Confederation itself.

ART. 26. All acts, ordinances, and regulations inconsistent with the present act are hereby repealed, in particular:

(1) The federal act of July 1, 1875, relating to the liability of railways and steamboats in case of accidents resulting in death or personal injuries;

(2) The last paragraph of article 2, and article 4 of the federal act of April 26, 1887, relating to the extension of civil liability; the first of these passages, to the effect that the liability of an employer in case of accident occurring during the construction of a railway, is to be determined in conformity with article 1 (d); the second in so far as it concerns accessory work coming under the provisions of the present act.

ART. 27. The Federal Council is directed, in conformity with the provisions of the act of June 17, 1874, relating to the passage of federal laws and orders, to publish the present act and to determine the date when it shall go into effect.<sup>(a)</sup>

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<sup>a</sup> By order of July 8, 1905, the Federal Council fixed August 1, 1905, as the date when the law should go into effect.

## TRANSVAAL.

### WORKMEN'S COMPENSATION ACT, 1907.

**SECTION 1.** In this act unless inconsistent with the context:

"Dependents" shall mean such members of the workman's family specified in the schedule to this act as are wholly or in part dependent upon the workman at the time of the injury which caused his death;

"District" shall mean a magisterial district of this Colony or any detached sub-district under an assistant resident magistrate and shall further include the district in which the civil magistrates at Johannesburg exercise jurisdiction under section fifty-four of the Magistrate's Court Proclamation 1902;

"Employer" shall mean any person or any body of persons corporate or unincorporate hiring or contracting before or after the date of the taking effect of this act with any workman (as in this section defined) for the performance of any work (as in this section defined) and the term "employer" shall include his representative (as in this section defined);

"Magistrate" shall mean the resident magistrate of any district and in the case of a detached subdistrict the assistant resident magistrate thereof: *Provided*, That within the district described in section fifty-four of the Magistrate's Court Proclamation 1902 the term "magistrate" shall mean one of the civil magistrates therein mentioned and not the chief magistrate of the Witwatersrand district;

"Medical practitioner" shall mean any person duly registered as such under any law of this Colony relating to the registration of medical practitioners;

"Principal" shall mean any person whose trade, business or public function it is or who has entered into a contract wholly or in part to do, perform, or undertake work (as in this section defined), and who employs a contractor to do it for him, wholly or in part, and whether such contractor employs a subcontractor or not, and the term "principal" shall include his representative (as in this section defined);

"Representative" shall mean in the case of a deceased principal, employer, or workman his executor, or, failing the appointment of an executor, any curator bonis lawfully appointed for the taking charge of the deceased's estate; and in the case of insolvency of a principal or employer shall mean the trustee of his insolvent estate, and if the principal or employer is a limited liability company placed in liquidation shall mean the liquidator of such company; and in the case of a minor shall mean the guardian of such minor, and in the case of a lunatic shall mean any person lawfully appointed curator bonis of such lunatic;

"Section" shall mean a section of this act;

"Serious and willful misconduct" shall include—

(a) Drunkenness;

(b) A willful contravention of any law or statutory regulation made for the purpose of insuring the safety of or preventing accidents to workmen;

(c) Any other act or omission which a court of law having regard to all the circumstances of an accident causing injury may declare to be serious and willful misconduct;

"Wages" shall mean the average weekly earnings of the workman at the time of the injury;

If the wages are paid at the time of the injury at a rate per hour, the average weekly earnings shall be taken as forty-eight times the rate per hour;

If the wages are so paid at a rate per day, the average weekly earnings shall be taken as six times the rate per day;

If the wages are so paid at a rate per week, the average weekly earnings shall be taken as that rate;

If the wages are so paid at a rate per month, the average weekly earnings shall be taken as one-fifty-second of twelve times the rate per month;

If the wages are so paid at a rate calculated on work done, the average weekly earnings shall be computed in such manner as is best calculated to give the rate per week at which the workman was being remunerated: *Provided*, That where by reason of the shortness of time during which the workman has been at work for the employer it is impracticable at the date of the injury to compute the rate of remuneration regard may be had to the average weekly amount which during the six months immediately

previous to the injury was being earned by a person employed at similar work on the same terms of remuneration;

And the average weekly earnings shall for the purpose of calculating wages mean the net sums paid to a workman by an employer after deduction of the value of any labor or material supplied by the employer and of overtime payments and of any sums usually paid by the employer to the workman to cover any special expenses entailed on him by the nature of his work;

"Work" shall mean employment at or about any trade, industry, business, or public undertaking in this Colony, including employment in agriculture, but shall not include domestic service; and "employment in agriculture" shall mean the employment of a workman in agriculture by an employer who habitually and regularly has in his employ one or more workmen not being members of his family engaged in agriculture; and "agriculture" shall mean any work connected with or incidental to the tilling of the soil, stock rearing, or farming operations;

"Workman" shall mean any white person engaged by an employer to perform work under agreement of service or of apprenticeship or otherwise whether such agreement be expressed or implied, be oral or in writing, and whether payment be made by time or calculated on work done: *Provided*, That the term "workman" shall not include—

(a) A person whose wages in respect of his work exceed five hundred pounds [\$2,433.25] a year; or

(b) A person whose work is of a casual nature and who is employed to do work for an employer other than in such employer's trade, business, or industry; or

(c) An outworker; that is to say, a person to whom articles or materials are given out by an employer to be made up, cleaned, washed, altered, ornamented, finished, or repaired or adapted for sale on premises not under the control and management of the employer; or

(d) A person who contracts or subcontracts for the carrying out of work and himself engages other persons (white or colored) independently of his employer to perform such work.

Any reference to a workman who has been injured shall, where the workman is dead or is a minor or has become a lunatic, include a reference to his representative or to his dependents as the context may require.

Sec. 2. No compensation shall be payable under this act in respect of an injury to a workman which did not arise out of and in the course of his work or in respect of an injury which was due to the workman's own serious and willful misconduct.

*Provisional order to recover periodical payments of compensation.*

SECTION 3. Save as in section two is provided if personal injury is caused by any accident to a workman necessitating his absence from work for a longer period than one week, the employer and every principal shall be liable to pay to such workman compensation as in section seven is provided.

SEC. 4. (1) Any such workman who is desirous of obtaining compensation under this act shall give or cause to be given notice of such injury at his option either to his employer or to any principal. Such notice shall be given within fourteen days of the injury, and if not given within such period no compensation shall be payable under this act to a workman unless he shall have obtained from the magistrate of the district in which he received the injury a certificate that the time for giving notice should, having regard to all the circumstances, have been extended. If he shall have obtained such certificate and give notice to the employer or such principal within a period of one week after the receipt of such certificate, the notice of injury shall be deemed to have been given within the time required by this subsection.

(2) The employer or the principal to whom notice has been given may, on receiving such notice, require the workman to submit himself for examination by a medical practitioner named by the employer or such principal.

(3) If the employer or such principal shall not, within one week after transmission to him of such notice, agree with the workman for payment of compensation for the injury, the workman may transmit to the clerk of the court of resident magistrate for the district in which such injury was received notice in writing of such injury and of the name of the employer or such principal, and with such notice shall transmit a certificate by a medical practitioner to the effect that, in his opinion, the injury necessitates or has necessitated the workman's absence from work for a longer period than one week. Such clerk shall cause such information and certificate to be at once laid before the magistrate of the said district.

SEC. 5. Such magistrate shall thereupon hold an inquiry on oath into the circumstances of the accident and shall record the evidence taken by him. Notice of the date and place at which such inquiry will be held shall be given by the magistrate

to the employer or to such principal (as the case may be) by delivering the same at or sending it by registered letter addressed to the residence or place of business or office of the employer or such principal, but the inquiry shall not be invalidated or postponed by reason of such notice not having been received by the employer or such principal on or before such date or by reason of his not being present or represented at the inquiry or by reason of any defect or inaccuracy in such notice not calculated to prejudice the employer or such principal in his defense.

SEC. 6. For the purposes of such inquiry the magistrate holding the same shall have all and singular the powers vested by law in a resident magistrate holding an inquest upon the body of a deceased person and the law appertaining to witnesses and their evidence in cases of such inquests shall *mutatis mutandis* apply to witnesses and to their evidence in any such inquiry: *Provided always*, That if the injured workman is at the time of the inquiry in some district other than that of the magistrate aforesaid or is unable to attend such inquiry the magistrate may appoint the assistant resident magistrate or the magistrate's clerk in his office or any other magistrate or assistant resident magistrate to take the evidence on oath of such injured workman (if necessary) and shall give the employer or such principal (as the case may be) notice of the time and place of the taking of such evidence.

SEC. 7. (1) If the magistrate shall satisfy himself from the evidence taken at the said inquiry that the injury is one in respect of which compensation is payable under this act, he shall make a provisional order for the payment to the workman by the employer or such principal of periodical amounts at the rate of fifty per centum of the wages which the workman was receiving at the time of the injury. The order shall be for payment of such amounts from the date of the injury until the workman is sufficiently recovered therefrom to resume his work. Any such order shall be subject to the provisions of sections twenty-four and twenty-five. Payment of such amounts shall be made at such times or at such intervals as payment of wages was habitually made to the workman at the time of the injury.

(2) A memorandum of any agreement made between any workman and his employer or a principal as to the payment of periodical amounts for the payment of which a workman might claim a provisional order under this section if proceedings were taken under subsection (3) of section four may be registered by the magistrate in whose court such proceedings might have been taken subject to regulations made under section thirty-five and upon such registration the terms of such agreement shall for all purposes of this act be deemed to be and have the force and effect of a provisional order granted under this section.

SEC. 8. If the magistrate shall refuse to make a provisional order in favor of an injured workman on the ground (which shall appear on the records) that the injury was due to his own serious and willful misconduct, the workman may appeal to the supreme court from any such refusal on such ground only.

SEC. 9. If on the hearing of such appeal the supreme court shall be of opinion that the workman is entitled to a provisional order in terms of section seven, such court may direct the magistrate to make a provisional order and may from time to time give such further direction in relation thereto as it may think fit.

SEC. 10. If the magistrate shall have refused to make a provisional order on the ground that the injury would not necessitate or has not necessitated the workman's absence from work for a period longer than one week and it shall happen thereafter that the injury was more serious than was supposed and has prevented the workman from resuming work for a period longer than one week, such workman may give or cause to be given notice to the employer or such principal aforesaid of such fact and the provisions of sections four to seven, inclusive, shall apply *mutatis mutandis* as if notice of such fact were a notice of injury given under subsection (1) of section four to the employer or such principal.

SEC. 11. Every such provisional order shall (unless and until it is set aside or varied in the manner hereinafter provided and if varied then to the extent of the order as varied) have for a period not exceeding six months from the date of the injury the full force and effect of an order made by a court of resident magistrate for periodical payments of money: *Provided*, That if such workman shall within such period resume work or die or leave the Colony without the written consent of the employer or such principal (as the case may be) or obtain judgment in his favor in any such action as is mentioned in section seventeen the provisional order shall lapse: *Provided further*, That no such order shall be subject to appeal to any superior court unless the serious and willful misconduct of the workman has been alleged and the magistrate has given a finding on such question in which case an appeal shall lie to the supreme court on such question only.

SEC. 12. The employer or such principal aforesaid may set down with the clerk of the court of the magistrate who granted the provisional order an application to set

aside or vary the same and subject to the provisions of subsection (2) of section thirteen such application may be set down at any time during the period that the order is in force: *Provided always*, That he shall give to the workman forty-eight hours' notice of his intention to make such application, stating the day for which it is set down and the ground or grounds upon which it is being made.

SEC. 13. The grounds on which a provisional order may be set aside or varied shall be one or more of the following:

(1) That the workman has sufficiently recovered to resume work or has willfully done an act calculated to retard his recovery and has in consequence retarded his recovery or that when the employer or such principal has desired to ascertain any such fact the workman has refused to allow himself to be examined by a medical practitioner nominated by the employer or such principal.

(2) That the employer or such principal did not receive the notice of injury aforesaid in time to be present or represented at the said inquiry and proves that the injury did not arise out of and in the course of the workman's work or that it was caused by the workman's own serious and willful misconduct: *Provided always*, That an application to set aside or vary a provisional order on any ground in this subsection mentioned shall not be entertained unless the same be set down within a week after the provisional order has been served upon the employer or such principal, as the case may be.

SEC. 14. At and upon the hearing of the application to set aside the provisional order, the applicant or the workman or the court may produce or call such further evidence or recall such witnesses at the original inquiry as may be deemed necessary and such evidence shall be recorded by the magistrate with and in addition to the evidence taken at the original inquiry.

SEC. 15. If on any such application the applicant shall rely upon the ground that the workman is sufficiently recovered to resume work the magistrate may require the workman to be further examined by a medical practitioner appointed by the magistrate and may further require any such medical practitioner to give evidence on such application and the cost of such further examination and evidence shall be borne by the unsuccessful party on such application.

SEC. 16. Upon hearing the parties on such application, the magistrate may confirm or set aside or vary the provisional order, and if he confirms or varies it then for such period or from such date as to him may seem fit, subject to the provisions of section eleven; and the confirmation or setting aside or variation of such order shall be deemed to be a final civil judgment of the court of resident magistrate of the district: *Provided*, That no appeal shall lie therefrom to a superior court except where the workman's serious and willful misconduct has been alleged as a ground for setting aside the provisional order and the magistrate has given a finding thereon, in which case an appeal shall lie to the supreme court on such ground only and at the instance of the workman or of the employer or principal, as the case may be.

*Right of action for permanent injury or injury causing death.*

SECTION 17. If any workman becomes permanently incapacitated by reason of a personal injury arising out of and in the course of his work caused by any accident, he shall, in addition to the right to obtain a provisional order as aforesaid and subject to the provisions of section four relative to notice to the employer or principal of the injury, have a right of action against the employer or such principal in the court of resident magistrate of the district in which he received such injury. The amount recoverable in such action shall be—

(a) In case of total incapacitation for work an amount equal to three years' wages at the rate of wages earned by him at the time of the injury less any sums received under such provisional order aforesaid, or seven hundred and fifty pounds [\$3,649.88], less any sums so received, whichever amount shall be the less;

(b) In case of partial incapacitation for work (which shall mean inability owing to the injury to resume work similar to that at which he was employed at the time of the injury or for which he was previous to the injury fitted by trade or apprenticeship) an amount equal to the probable deficiency in his income for the next three years, consequent on his diminished capacity to earn wages at the same rate as he was earning at the time of the injury, less any sums received under such provisional order aforesaid, or three hundred and seventy-five pounds [\$1,824.94], less any sums so received, whichever amount shall be the less: *Provided always*, That wherever the workman was at the date of the accident under twenty-one years of age the magistrate may—

(i) In the case of a claim under paragraph (a) where the gross amount recoverable is under three hundred pounds sterling [\$1,459.95], increase the gross amount recoverable to a sum not exceeding three hundred pounds sterling;



(ii) In the case of a claim under paragraph (b) where the gross amount recoverable is under one hundred and fifty pounds sterling [\$729.98] increase the gross amount recoverable to a sum not exceeding one hundred and fifty pounds sterling [\$729.98];

If having regard to what would but for the accident have been the probable increase in the workman's earning capacity during the three years immediately succeeding the date of the accident such increase should appear reasonable and may give judgment on the basis of such increased amounts.

Any such action and the amounts recoverable thereon shall be subject to the provisions of sections twenty-four and twenty-five.

SEC. 18. The court hearing any such action may if the employer's or such principal's liability to pay compensation under this act be proved postpone giving judgment for a period or periods not exceeding six months in all in order to obtain more certain evidence of the workman's permanent incapacity for work and whether the same be total or partial: *Provided*, That the court may order in anticipation of judgment advances to be made to such workman by the employer or such principal not exceeding in all the probable minimum amount recoverable under paragraph (b) of the last preceding section.

SEC. 19. If any workman who has neither obtained judgment on an action under section seventeen nor otherwise received compensation in satisfaction of his right of action under the said section shall die from personal injury received and the employer or a principal would be liable under this act but for such death to pay him compensation for such injury the dependents of the workman shall have a right of action in respect of such injury against the employer or such principal in the court of resident magistrate of the district in which the injury was received. The amount recoverable in such action shall be a sum equal to two years' wages of the workman at the time of his death or five hundred pounds [\$2,433.25] whichever sum shall be the less; and such sum shall be subject to deduction of any advances made to the workman under the last preceding section, but shall not be subject to deduction of any payments made to such workman under any such provisional order aforesaid if such payments did not continue for a period longer than three months and if such payments did so continue shall be subject to the deduction only of the amount of such payments made after the first three months during which such payments continued. Any such action and the amount recoverable thereon shall be subject to the provisions of sections twenty-four and twenty-five.

SEC. 20. No action for compensation under sections seventeen or nineteen shall be maintained unless such action shall have been commenced within six months from the date of the injury or in the case of death resulting therefrom within six months from the date of such death or if the employer or principal (as the case may be) shall in either such case have admitted his liability to pay compensation then within six months from the date of such admission; no appeal shall lie from any decision of the court of resident magistrate on such action unless in such action the workman's own serious and willful misconduct has been alleged and such court has given a finding thereon; in such case an appeal shall lie to the supreme court on such finding only at the instance of the workman or of the employer or principal as the case may be.

SEC. 21. The representative of the deceased workman shall be the person to sue in any action mentioned in section nineteen. Such representative after deducting an amount not exceeding forty-five pounds [\$218.99] to pay the medical attendance upon such workman during his last illness and the expenses of his burial shall forthwith either pay the remainder of any sum recovered from the employer or a principal (whether by action or otherwise) into the court of the resident magistrate of the district in which the injury was received or pay the remainder of such sum to any dependents who are entitled thereto in the order of preference set forth in the schedule to this act. Such remainder shall be divided amongst the dependents so entitled in such proportions as may by agreement amongst them be determined: *Provided*, That the said court may in the absence of such agreement determine the amount payable to any such dependents and may further determine whether a person claiming to be entitled under this act to any amount as a dependent is or is not so entitled.

SEC. 22. No sum payable to any dependent under this act shall be liable to attachment for any debt due by the deceased workman nor shall the amount of any compensation recovered or recoverable on behalf of a dependent form a part of the deceased workman's estate for the purposes of any law for the time being relating to the administration of or the duty on estates of the deceased persons.

SEC. 23. If the injured workman shall die from the injury and leave no dependent, the employer or any principal shall be liable to pay the reasonable expenses of the medical attendance upon such workman during his last illness and of his burial not exceeding the sum of sixty pounds [\$291.99] in all.



*Effect of membership of benefit societies on recovery of compensation under this act.*

**SECTION 24.** If any proceedings under this act for the recovery of compensation by or on behalf of a workman or his dependents it shall appear—

(1) That the injured or deceased workman is or was a member of a benefit society sick-fund organization or club (hereinafter described as a "society"); and

(2) That there has been, or is to be, paid by the society to the workman or his dependents an allowance or gratuity in respect of any illness, absence from work, incapacitation for work, or death; and

(3) That the employer or principal is a contributor to those funds of the society out of which such allowance or gratuity has been or is to be paid.

There shall be deducted from any amount which the employer or principal would have been adjudged liable under this act to pay to the workman or his dependents a sum which represents the share of the employer's or such principal's contribution toward the sum paid or to be paid to the workman or his dependents from the society in the circumstances aforesaid.

**SEC. 25.** If in the circumstances described in the last preceding section it shall appear that the sum which represents the share of the employer's or such principal's contribution toward any sum paid or to be paid by any society to an injured workman or to his dependents is in excess of the amount which under this act the employer or such principal might have been adjudged liable to pay to such workman or his dependents no order shall be made or judgment given on any such proceedings which shall forthwith lapse and determine.

*General.*

**SECTION 26.** The costs of any proceedings under this act before a magistrate or court of resident magistrate shall be in the discretion of such magistrate or court: *Provided*, That whenever any proceedings by a workman or defense thereto by an employer or principal appear to be frivolous and vexatious, a magistrate or court of resident magistrate shall award double costs to the successful party. All costs (including the costs of obtaining any medical certificate) awarded by a magistrate or court of resident magistrate in any proceedings under this act shall be taxed and recoverable in the manner prescribed by law for the time being regulating the procedure in courts of resident magistrate.

**SEC. 27.** Every appeal to the supreme court from a decision, order, or judgment of a magistrate or court of resident magistrate under this act shall be prosecuted in manner prescribed by law for the time being regulating appeals to the supreme court from a judgment or order of a court of resident magistrate.

**SEC. 28.** Whenever a principal who has not hired or employed a workman pays compensation under this act to such workman or his dependents entitled thereto, he shall have the right to be indemnified to the extent of the amount due and paid (together with the taxed costs of any proceedings by which the amount became payable) by the employer or any other principal standing between him and the workman and shall have a right of action to recover such amount and costs aforesaid in the court of resident magistrate of the district in which the employer or such other principal resides or carries on business: *Provided always*, That no such right as is by this section conferred shall be exercisable by a principal unless he shall have given to the employer or other principal aforesaid (as the case may be) notice of the claim or proceeding.

**SEC. 29.** When an employer or principal is adjudged liable or admits liability under this act to pay compensation and is entitled to any sum from any insurer in respect of such liability, then, in the event of the estate of the employer or such principal being sequestrated or of the employer or such principal making a composition or arrangement with his creditors or if the employer or such principal being a company be placed in liquidation, the workman or the dependents entitled under this act to compensation shall have a first charge upon such sum for the amount due, and if any of such events happen while any proceeding is pending to recover compensation under this act, the magistrate or court having jurisdiction shall interdict the parting with any such sum by such insurer pending the result of such proceeding.

**SEC. 30.** The employer or principal shall be bound in any proceeding against him under this act to recover compensation to disclose whether he has insured against personal injury to the workmen employed by him or on his behalf, and if so insured the name and address of the person, company, or association with whom the insurance has been effected.

**SEC. 31.** Any provision in a contract existing at the date of the taking effect of this act or hereafter entered into whereby a workman relinquishes any right to compensation under this act or to damages at common law whether for himself or for his dependents shall be null and void.

SEC. 32. (1) Nothing in this act contained shall be deemed to deprive a workman of any right which he may have at common law to institute proceedings for damages from his employer or any other person in respect of a personal injury.

(2) The workman shall elect whether he will institute proceedings at common law for damages against his employer or a principal in respect of a personal injury or will institute proceedings for compensation under this act, and if he institute such proceedings at common law he shall be debarred from instituting proceedings under this act in respect of the same injury; or if he institute proceedings under this act he shall be debarred from instituting proceedings at common law against his employer or a principal in respect of the same injury. Any notice of injury given to the clerk of a court of resident magistrate under subsection (3) of section four or the taking out of summons in such court shall be deemed to be an institution of proceedings under this act.

(3) If compensation under this act has been paid by the employer or a principal and the circumstances of the injury disclose a legal liability on the part of another person to pay damages at common law in respect thereof, such other person shall be liable to pay to the employer or such principal the amount of compensation so paid and the taxed costs of any proceedings on which such amount became payable.

(4) A workman shall not be entitled in any case to recover both damages in an action at common law and compensation under this act in respect of the same injury.

SEC. 33. This act shall not apply to military service under the Crown, but otherwise shall apply to any other work at which a person is employed by or under the Crown: *Provided*, That where by any law of this Colony provision is made for the grant of a pension or gratuity to any member of a police force or of the public service in the case of injuries received by him in the discharge of his duties or to any person who in the event of the death from such injuries of such member would be entitled as a dependent to compensation under this act, such member or person so entitled shall have the right to elect whether he will claim a pension or gratuity under such law or compensation under this act, but shall not be entitled to claim both such pension or gratuity and such compensation.

SEC. 34. Notwithstanding anything to the contrary contained in any law in force relating to stamp duty, every policy of insurance of workmen and every renewal of such policy entered into after the taking effect of this act shall be liable to a duty of threepence [6 cents] only denoted by revenue stamps when the annual premium does not exceed one pound [\$4.87] and to a duty of one shilling [24.3 cents] only denoted in like manner when the annual premium exceeds one pound [\$4.87]; save as aforesaid the laws of the Colony for the time being in force relating to stamp duties shall apply to every such policy of insurance.

SEC. 35. The governor in council may from time to time make, alter, or rescind regulations not inconsistent with the provisions of this act.

(1) Prescribing the manner in and the conditions upon which any such memorandum of agreement as is in subsection (2) of section seven described shall be registered and the procedure to be followed on any application for such registration and the grounds on which any such application may be refused;

(2) Generally for the better carrying out of the objects and purposes of this act.

All such regulations shall within seven days after the promulgation thereof be laid on the tables of both Houses of Parliament if Parliament be then in session, or if Parliament be not then in session within seven days after the commencement of the next ensuing session.

#### *Penal provisions.*

SECTION 36. If any person threatens or compels or attempts to compel any workman to do or omit to do any act the doing or omission of which deprives or is calculated to deprive such workman of any claim to compensation which he would have under this act, such person shall be guilty of an offense and shall be liable upon conviction to a fine not exceeding one hundred pounds [\$486.65] or in default of payment to imprisonment with or without hard labor for a period not exceeding three months.

SEC. 37. In any proceedings for a contravention of the last preceding section by a limited liability company, the secretary and every manager or director of such company who is in control of the business thereof in this Colony shall be liable to the penalties prescribed for any such contravention, and in the event of any such contravention by a partnership every member of such partnership shall be liable to such penalties aforesaid: *Provided always*, That nothing in this section contained shall be deemed to exempt from liability any other person guilty of any such contravention.

*Commencement of act.*

SECTION 38. This act may be cited for all purposes as the Workmen's Compensation Act, 1907, and shall not take effect unless and until the governor shall proclaim in the Gazette that it is His Majesty's pleasure not to disallow the same, and thereafter it shall take effect on such date not being earlier than the first day of January, 1908, as the governor may by like proclamation declare.

## SCHEDULE.

Order of preference in which dependents shall have a right to be paid compensation under this act:

- (1) A husband or wife and any son or daughter (legitimate or illegitimate) or stepson or stepdaughter of the deceased workman; failing whom
- (2) A father, mother, stepfather, stepmother of the deceased workman; failing whom
- (3) A brother, sister, half brother, half sister of the deceased workman and any children of such persons; failing whom
- (4) A grandfather, grandmother, grandson, granddaughter of the deceased workman (whether the grandson or granddaughter be of legitimate or illegitimate birth); failing whom
- (5) Any other relative of the deceased workman by consanguinity or affinity.

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